

**New Jersey's Clean Energy Program
FY17 Program Descriptions and Budgets**

OFFICE OF CLEAN ENERGY

**Energy Efficiency Programs,
Renewable Energy Programs, and
NJCEP Administration Activities**

Including Programs Managed by:

**New Jersey Economic Development Authority
and
Sustainable Jersey**

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I. Introduction

This document describes the programs and services provided by the New Jersey (NJ) Board of Public Utilities' (BPU's or the Board's) Office of Clean Energy (OCE), the New Jersey Economic Development Authority (EDA), and the Sustainable Jersey program in support of New Jersey's Clean Energy Program (NJCEP) in fiscal year 2017 (FY17).

II. OCE Energy Efficiency Programs

A. State Facility Initiatives

The State Facilities Initiative identifies and implements energy efficiency projects in State-owned facilities with the objective of producing energy savings and associated cost savings that accrue to the State. The Energy Capital Committee, consisting of members from Treasury and the BPU's State Energy Office (SEO), coordinates and recommends approval of these projects based on evaluation of capital costs and anticipated energy savings. The list of planned projects includes those identified through energy audits completed, in progress, or proposed for various State facilities, as well as projects requested by State agencies in support of policy goals identified in the Energy Master Plan. Treasury's Division of Property Management and Construction (DPMC), Energy Initiatives Group, along with the SEO, will coordinate the design, construction, or renovation of State facilities in support of this initiative.

Initially, allocation of funds will be recommended for the Richard J. Hughes Justice Complex project, the Department of Environmental Protection Building project, and various other projects to be initiated during FY16. The FY17 budget includes additional funding for other projects to be identified and prioritized through the review of FY17 budget requests from State agencies. Projects will include (a) improvements, upgrades, and replacements of air handling and movement systems, (b) lighting and equipment upgrades and replacements, (c) boiler, chiller and Heating, Ventilation and Air Conditioning (HVAC) replacements, (d) lighting and building controls, and (e) renewable energy systems, all at State facilities.

The SEO will measure and report the energy savings generated by this initiative annually to inform future funding decisions. The main goal of this Initiative is to optimize energy efficiency in State-owned facilities, thereby enabling the State to participate in the cost savings and related benefits of the NJCEP.

III. OCE Distributed Energy Resources Programs

A. Microgrid Development

1. Program Description

Based on a review of the consequences on New Jersey's energy systems from several recent extreme weather events, the 2015 Energy Master Plan Update (EMP Update)¹ established a new overarching goal: "Improve Energy Infrastructure Resiliency & Emergency Preparedness and

¹ http://nj.gov/emp/docs/pdf/New_Jersey_Energy_Master_Plan_Update.pdf

Response.” One of the EMP Update’s new Plan for Action’s policy recommendations was: “Increase the use of microgrid technologies and applications for DER [Distributed Energy Resources] to improve the grid’s resiliency and reliability in the event of a major storm.”

Because of the impacts of these weather events, the State of New Jersey has entered into two Memoranda of Understanding (MOU) with the U.S. Department of Energy (USDOE) to evaluate the potential to develop DER microgrids on two key projects: (1) a microgrid within the northeast portion of the NJ Transit system (NJT Grid) and (2) a microgrid within the PSE&G service area in the City of Hoboken. To test the feasibility of these two projects, the USDOE provided funding for both NJT Grid and the Hoboken microgrid to evaluate the improved resiliency in these proposed systems when the grid is down. In addition, BPU worked with the New Jersey Institute of Technology (NJIT) to map potential Town Center DER² microgrids. The resulting report (NJIT Report) mapped 24 potential Town Center DER microgrids across the 17 municipalities in the 9 Sandy-designated counties.

A review of the above studies and others has identified a key barrier to advancing the EMP Update’s new goal for Town Center DER microgrids. This barrier is the lack of an initial feasibility evaluation of the technical, regulatory, and financial components of any proposed Town Center DER microgrid. This is because of the high cost to develop this information without an initial understanding of the potential for success of any Town Center DER microgrid projects.³ The initial evaluation needs to include a detailed cost/benefit analysis of the impacts as well as physical implications of the project on its owner/manager, the distribution system, and the system’s customers. To address this key barrier, the BPU, as part of its FY17 budget, is developing and implementing a Town Center DER Microgrid – Feasibility Incentive Program.

2. Target Market and Eligibility

This new program will focus initially on Town Center DER microgrids that include critical facilities at the local level identified in the NJIT Report. The program applicants would be limited to local government entities or state agencies that own or manage critical facilities. For this program, critical facilities will be any (a) public facility, including any federal, state, county, or municipal facility, (b) non-profit and/or private facility, including any hospital, police station, fire station, water/wastewater treatment facility, school, multifamily building, or similar facility that (A) is determined to be either Tier 1 or critical infrastructure by the Office of Emergency Management or the Office of Homeland Security and Preparedness or (B) could serve as a shelter during a power outage.⁴ The program would be managed by BPU through a Memorandum of Understanding (MOU) process that would include all the Town Center DER partners, including the applicable Electric Distribution Company (EDC). The program would be managed in two

² A Town Center DER microgrid would have a cluster of critical facilities within the municipality that could include multifamily buildings, hospitals, and local and state government critical operations in a small radius and connected to a series of DER technologies that can operate isolated and islanded from the main grid when power is down on the main grid.

³ States such as New York, Connecticut and California have previously identified this same initial barrier.

⁴ A shelter must have the ability to provide food, sleeping arrangements, and other amenities to its residents and the community.

phases: Phase 1 would be limited to an initial feasibility evaluation of the Town Center DER Microgrid, and Phase 2 would be detailed engineering design. An applicant for Phase 2 must have had a Phase 1 evaluation study approved by BPU to be eligible for Phase 2. The program would not be open to single-building or campus-setting microgrids that are eligible for other NJCEP incentives. Initially, the program would be available to fund only Phase 1 initial feasibility studies.

An applicant to the Town Center DER Microgrid Program would be required to submit a pre-application that includes the following:

1. Project Name.
2. Project Description, including all potential critical facilities within the proposed Town Center DER Microgrid and a description of why they are critical facilities. This should include the approximate size of the project in energy (electrical and thermal), the overall boundaries of the project, and the distance between critical facilities.
3. A list of all potential partners to be included in the Town Center DER Microgrid MOU.
4. A general description of the technology to be developed within the Town Center DER Microgrid. This should include (a) a description of the proposed connection (electric and/or thermal) of the critical facilities and the DER technologies and (b) the location of the connection to the EDC's facilities/equipment.
5. A general description of the overall cost and potential financing that may be available.
6. A general description of the benefits of the proposed Town Center DER Microgrid as well as the need for the proposed project.
7. The requested funding.

3. Incentive

The pre-application submittal is subject to approval by the Board. If the submittal is approved, the Board will issue a Notice to Proceed to confirm the availability of funding. Phase 1 funding is capped at a maximum of \$200,000. The BPU anticipates the issuance of between 5 to 10 Phase 1 Notices to Proceed for qualifying applications. The Notice to Proceed will require an MOU between all the Town Center DER Microgrid partners and the BPU.

All payment for the Phase 1 Feasibility Incentive will be made after the completion and acceptance of the final report. A The Phase 1 approval is no guarantee of a Phase 2 incentive nor is it the BPU approval of the DER Town Center Microgrid.

IV. OCE Renewable Energy Programs

A. Offshore Wind Program

In 2011, the Board reallocated funds to the Offshore Wind (OSW) budget to pay costs associated with a contractor engaged by the Board to assist with the review of OSW applications. Unspent funds from FY16 will carry forward in FY17 for this purpose. It should be noted that, pursuant to the Board's OSW regulations, the fees for these services are paid by the OSW applicants

themselves and that therefore any NJCEP funds spent for this purpose will be reimbursed by the OSW application fees.

The FY17 Budget for Offshore Wind would also support the evaluation of OSW Renewable Energy Certificate (OREC) applications. The New Jersey Department of the Treasury, Division of Purchase and Property, Procurement Bureau (Treasury) is now evaluating bids on behalf of the Board for a consulting firm to provide general consulting services related to OSW, as well as expertise on OSW economic analysis to assist the BPU in evaluating OREC applications. The expertise sought will assist the BPU in reviewing and evaluating OSW project proposals, consistent with the Offshore Wind Economic Development Act (statute amending P.L. 2007, c.340 and P.L. 1999, c.23) and regulations, including, among other things, the technical feasibility of proposals, the energy producing capacity underlying the project, and the cost/benefit analysis of the project, job creation, project financing and public subsidy requested.

V. EDA

EDA will manage existing commitments under three programs in FY17 as follows: 1) Edison Innovation Clean Energy Manufacturing Fund (CEMF); 2) Edison Innovation Green Growth Fund (GGF); and 3) Large Scale Combined Heat and Power (LSCHP).

No new applications will be accepted and no new grants or incentives will be awarded during FY17. Instead, EDA will manage the existing portfolio of loans and grants previously awarded through the programs. Ongoing work may include, but is not limited to, paying incentives previously awarded, monitoring compliance with the funding agreements, and collection of loan repayments. Detailed descriptions of CEMF and GGF are included in **Attachment C** hereto; detailed discussions and the budget regarding LSCHP are included in AEG's compliance filing.

VI. NJCEP Administration

The NJCEP Administration budget includes the following components:

- A. BPU Program Administration
- B. Sponsorships
- C. Program Evaluation / Analysis
- D. Outreach and Education, including Sustainable Jersey
- E. Marketing

The following provides a description of the activities covered by each component.

A. BPU Program Administration

The OCE is charged by the Board with the responsibility for administering NJCEP. As the administrator of NJCEP, the OCE is responsible for various program-related matters including:

1. Developing recommendations to the Board regarding programs to be funded, budgets for those programs and various matters related to the administration and implementation of the programs.
2. Drafting Board Orders memorializing Board decisions and tracking compliance with such Orders.
3. Administering the Clean Energy Fund trust (“CEF”) to support all program activity, including:
 - a. Ensuring compliance with State policy and procedures regarding all payments to and from the CEF for program-related activities;
 - b. Coordinating with Treasury with regard to financial management and reporting of NJCEP and reconciliation of the CEF with the rest of the State financial system.
4. Coordinating the activities of the Energy Efficiency (EE) and Renewable Energy (RE) Committees, including soliciting input regarding programs, budgets and program administrative matters.
5. Overseeing the activities of the Program Administrator, as well as the utilities, EDA, and OCE itself with regard to renewable energy, education and outreach efforts, and other issues.
6. Developing reporting guidelines and providing the Board with regular updates regarding program activities.
7. Developing protocols for measuring energy savings and renewable energy generation.
8. Overseeing evaluation and related research activities.
9. Developing program goals, performance indicators and minimum requirements for program management.
10. Monitoring program activity, reviewing evaluation results, and recommending modifications to programs and budgets as required.
11. Developing requests for proposals to engage program administrators and/or managers, evaluation contractors and other contractors that assist with the administration of the programs, evaluating proposals received, and selecting contractors.
12. Facilitating resolution of issues related to program management and customer complaints.
13. Managing CRA proceedings to set funding levels.
14. Managing requests for proposals (RFPs) for program services and related program transition activities.

The Administration and Overhead component of the budget is primarily for OCE Staff salaries and payments to Treasury related to the provision of the services described above.

B. Sponsorships

This component of the budget includes funding for sponsoring:

1. The National Association of State Energy Offices (NASEO), which coordinates efforts amongst state energy offices.
2. The Clean Energy States Alliance (CESA), which is a national, nonprofit coalition of public agencies and organizations working together to advance clean energy.

C. Program Evaluation / Analysis

Evaluation and related research provides insights and analysis of clean energy markets and programs. The BPU is the lead implementing agency for the development and implementation of the New Jersey Energy Master Plan (EMP). As such, the BPU is required to track and report on progress in meeting the EMP goals, as well as to evaluate current and proposed NJCEP programs in terms of their rate impact and the cost-benefit delivered. The BPU is also required to evaluate market potential for current and emerging clean energy technologies including CHP, fuel cells, and storage technologies.

Rutgers University's Center for Energy, Economic and Environmental Policy (CEEEP) has been engaged by the Office of Clean Energy (OCE) to manage program evaluation and related research activities and to perform cost-benefit analyses. CEEEP will develop evaluation and related research plans, solicit input on the plans from the OCE, the Energy Efficiency (EE) and Renewable Energy (RE) Committees, program administrators and managers and others, and it will implement such plans upon approval by the OCE.

Once evaluation plans are approved, CEEEP will either perform the evaluation and research activities or will develop the technical components of RFPs to engage outside contractors to perform the evaluations. RFPs will be issued by either Treasury or CEEEP, and CEEEP will work with Treasury regarding the review of proposals and will manage the day-to-day activities of contractors hired to perform evaluations. CEEEP will coordinate with the OCE and the EE and RE Committees to track implementation of the recommendations that result from the evaluations and related research. The Program Administrator and market managers are responsible for implementing the recommendations that the BPU directs it to implement. CEEEP's budget also includes funding to track progress towards the EE and RE goals set out in the EMP as well as funds to conduct OSW evaluation studies.

During FY17, the Evaluation and Related Research budget component consists of two subcomponents:

1. Rutgers-CEEEP

This is a continuation of the above-described, existing contract to provide overall program evaluation management services and cost benefit analyses.

2. Program Evaluation

A baseline evaluation of the EE programs commenced in FY16 with results anticipated in early FY17. In addition, Staff expects to engage in the following evaluation study activities during FY17:

- a) The release of an RFP for a baseline study of the residential and commercial and industrial (C&I)⁵ markets.
- b) A third party evaluation of NJCEP Protocols consistent with the recommendations of the most recent NJCEP Review and Benchmarking study and NJCEP Process Evaluation Study.
- c) An evaluation of the New Jersey Renewable Portfolio Standard (RPS), including a retrospective cost-benefit analysis of the RPS and an evaluation of whether New Jersey is maximizing the economic and environmental benefits it can receive from the RPS.

For more details, see the table below:

Fiscal Year	Evaluation Study Name ⁶	To be conducted by
FY 2017 <i>(1 July 2016 to 30 June 2017)</i>	1. Impact Evaluation Studies ⁷ a. Residential Programs: i. Energy Efficient Products Program ii. Existing Homes Program (Home Performance with ENERGY STAR®) b. Commercial & Industrial Programs: i. Direct Install ii. Retrofit iii. Pay for Performance	3 rd Party Contractors via Treasury
	2. C&I and Residential Baseline Study	3 rd Party Contractors via Treasury
	3. Protocols Evaluation	3 rd Party Contractors via Rutgers

⁵ The RFP for the C&I baseline study is expected to be released in FY16, with the contract expected to be awarded in FY17.

⁶ The timeline for completing the evaluations may vary. Evaluations started in FY17 may or may not be completed in that same fiscal year.

⁷ Impact Evaluations will be conducted for the listed programs in FY17. Given budget restraints, it is not feasible to conduct Impact Evaluations for all NJCEP programs in a single year.

Fiscal Year	Evaluation Study Name⁶	To be conducted by
	4. Strategic Planning Proceeding (program planning, goal setting, and budgeting for FY18 through FY20)	AEG/BPU
	5. Economic Impact Study	Rutgers CEEEP
	6. Cost-Benefit Analysis (Retrospective & Prospective)	Rutgers CEEEP
	7. Evaluation & Research Plan Update	Rutgers CEEEP
	8. Protocols Update	AEG/Rutgers CEEEP
	9. RPS Evaluation Study	Rutgers CEEEP
	10. Analytics for Energy Policies	Rutgers LESS

Additional details regarding expected evaluation activities can be found in an Evaluation Plan prepared by CEEEP and the Evaluation Work Group, which Plan is posted on NJCEP web site.

D. Outreach and Education

This component includes funding for the following subcomponents:

1. *Clean Energy Business Website / NJCERN*

A key to promoting growth in New Jersey's all-important RE sector is the ability to clearly communicate the strong financial resources, incentives and commitment that the state offers to RE companies. The New Jersey Clean Energy Resource Network Searchable Database (NJCERN) is a robust web-based guide for energy businesses that clearly identifies the advantages of doing business in New Jersey (njcern.rutgers.edu). It provides, in one centralized location, over 350 links to State and Federal RE and EE incentives, financing opportunities, business development assistance, policies, training and permitting information. The ultimate goal of NJCERN is to attract and retain RE firms, create green jobs, and foster an environment of innovation among NJ based energy businesses and state universities.

During the first three years of the project, Rutgers EcoComplex performed several major tasks related to the development of the website including database development and management, website development, public outreach, maintenance and updates to the site to improve the quality, comprehensiveness and impacts of the NJCERN database.

For an effective website and searchable database, the site must be continuously managed and updated. This consists of identifying and entering new information, deleting expired information and upgrading software and functionality of the site. In addition, search engine optimization is

necessary to increase traffic to the site and expand NJCERN's reach throughout the energy community. The site needs to be well marketed so that as many businesses as possible are aware of what the database and New Jersey have to offer.

There will be regular outreach to “key points of contact” at relevant government agencies, organizations, and associations for program updates. Programs on the website will be monitored, expired programs removed from the website and content modified as needed to improve search engine optimization capabilities. Responsibilities also include oversight of the development of marketing materials, placing ads and conducting outreach on the NJCERN website.

2. Rutgers LESS

The Rutgers Laboratory for Energy Smart Systems (LESS) brings together many years of industry and academic experience in the energy field. LESS draws expertise from a score of multi-disciplinary programs at Rutgers and industry partners.

The objective of this project is to identify analytical methodologies that will be used to support and evaluate energy policy decisions affecting customers in the State of New Jersey. In particular, this framework will be geared towards behind-the-meter distributed energy resource (DER)⁸ investments that increase energy resiliency and sustainability and promote energy efficiency.

The project will include the analysis of up to five case studies which reflect New Jersey Board of Public Utility policy approaches to incentivize DER adoption and supporting scenarios. Case studies will be defined by the BPU in conjunction with the Rutgers team and may range from (a) the evaluation of policies to redesign of existing distributed generation programs in a given region of the state to (b) the support of DER to increase resiliency in regions (e.g., coastal) that are highly vulnerable to extreme weather conditions to (c) the support of tri-generation technologies for waste-water and other critical infrastructures. The analytical framework will be designed to assist State authorities in evaluating incentive programs design and proposed policies with respect to location, customer type, technology type, and incentive structure. Depending on what the target is for a specific incentive policy, impacts on and values to different stakeholders should be accounted for in its design and/or evaluation. Furthermore, such analytics can later be deployed to support program evaluation studies by instituting consistent economics analysis throughout the system.

3. NJIT Clean Energy Learning Center

The NJIT Center for Building Knowledge (CBK) is developing, launching and maintaining – over the course of three years - the New Jersey Clean Energy Learning Center (the Learning Center) to provide high quality education and training on select aspects of NJCEP. During FY16, the Learning Center’s primary focus was to provide online educational resources - available on-demand, 24 hours a day, 7 days a week – as a means to build stakeholder awareness of the Learning Center and its programs.

⁸ “DER” as used in this document includes distributed energy generation (both fossil fuel and renewable), energy storage (thermal and battery) and demand side management technologies and strategies (demand response, price responsive demand, and energy efficiency).

In Year 2, The Learning Center will continue to provide educational offerings across the full range of stakeholder groups engaged with NJCEP – building owners and managers, design professionals, energy and other professionals, contractors; code officials, and NJCEP program representatives – at a variety of scales: from short, one- to five- minute tutorials to full-length courses that provide comprehensive training on a particular topic or procedure. The offerings will also be provided in a variety of formats, including: short tutorials (for example, “what is a home energy audit”); longer, multimedia lectures on a specific topic (for example, the impacts of the 2015 IECC on single family home construction); and/or in-field demonstrations of how to actually implement a specific upgrade that qualifies for a rebate or incentive. During this year, The Learning Center will expand its efforts to include In-Person Trainings consisting of: two one-day, issue-focused workshops on a specific and narrowly focused Clean Energy topic and one two-day educational event focused on the latest trends in energy efficiency and how they impact stakeholders across the state.

4. Sustainable Jersey

Fees for the services provided by Sustainable Jersey as described in **Attachment B** to this document are included in this budget subcomponent.

E. Marketing

Until the expiration of the Marketing Manager contracts in March 31, 2016, the marketing for NJCEP was managed primarily by the then-Market Managers. With the expiration of those contracts and the award of the Program Administrator contract to AEG, and in an effort to provide stronger, better coordinated, and more cost-effective marketing for NJCEP, OCE Staff has prepared an RFP for a single marketing manager that would provide, among other things, a full-scale marketing and public relations plan and a website overhaul. The RFP is under review with Treasury.

Due to the expiration of marketing contracts in FY16, OCE Staff is proposing an interim marketing plan in order to continue to provide critical support for administration of the NJCEP programs and to maintain brand awareness. The interim marketing plan will provide the essential services needed, such as program applications, brochures for distribution at events/meetings, press releases, etc. Additionally, a limited media buy will be in place.

An outreach plan is being planned that will improve NJCEP participation throughout the State and use best practices and experience nationwide. The outreach plan will include continuous collaboration, monitoring, and coordination with Investor Owned Utilities and other entities. Additionally, the plan will build off of existing relationships with various organizations, large and small customers, and Trade Allies to enhance outreach.

Attachment A: FY17 Program Budgets

The following table sets out a detailed FY17 budget for the programs managed by the OCE:

Program/Budget Line	Total Budget	Detailed OCE FY17 Budget					
		Cost Category Budgets					
		Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, and QA	Evaluation
Total NJCEP	\$19,921,244.00	\$2,400,000.00	\$3,000,000.00	\$0.00	\$9,571,244.00	\$0.00	\$4,950,000.00
EE Programs	\$7,500,000.00	\$0.00	\$0.00	\$0.00	\$7,500,000.00	\$0.00	\$0.00
State Facilities Initiative	\$7,500,000.00	\$0.00	\$0.00	\$0.00	\$7,500,000.00	\$0.00	\$0.00
Distributed Energy Resources	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$0.00	\$0.00
Microgrids	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$0.00	\$0.00
RE Programs	\$450,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450,000.00
Offshore Wind	\$450,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450,000.00
Planning and Administration	\$10,971,244.00	\$2,400,000.00	\$3,000,000.00	\$0.00	\$1,071,244.00	\$0.00	\$4,500,000.00
BPU Program Administration	\$2,400,000.00	\$2,400,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BPU Program Administration	\$2,400,000.00	\$2,400,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Marketing (w/CEP website)	\$3,000,000.00	\$0.00	\$3,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
New Marketing Contract	\$3,000,000.00	\$0.00	\$3,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Program Evaluation/Analysis	\$4,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,500,000.00
Program Evaluation	\$3,200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,200,000.00
CEEEP	\$1,300,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,300,000.00
Outreach and Education	\$1,021,244.00	\$0.00	\$0.00	\$0.00	\$1,021,244.00	\$0.00	\$0.00
Sustainable Jersey	\$500,000.00	\$0.00	\$0.00	\$0.00	\$500,000.00	\$0.00	\$0.00
NJIT Learning Center	\$300,000.00	\$0.00	\$0.00	\$0.00	\$300,000.00	\$0.00	\$0.00
Rutgers LESS	\$175,000.00	\$0.00	\$0.00	\$0.00	\$175,000.00	\$0.00	\$0.00
NJCERN	\$46,244.00	\$0.00	\$0.00	\$0.00	\$46,244.00	\$0.00	\$0.00
Sponsorships	\$50,000.00	\$0.00	\$0.00	\$0.00	\$50,000.00	\$0.00	\$0.00
Sponsorships	\$50,000.00	\$0.00	\$0.00	\$0.00	\$50,000.00	\$0.00	\$0.00
TRUE Grant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TRUE Grant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Attachment B: Sustainable Jersey Program

Sustainable Jersey FY17 Compliance Filing

I. INTRODUCTION

The BPU was one of the original founding partners of Sustainable Jersey. Since then, the BPU has provided funding for program development and implementation as a vehicle for driving clean energy activity in local governments. This document details the Scope of Work and Budget for the FY17 Compliance Filing.

II. SUSTAINABLE JERSEY OVERVIEW AND ENERGY LINKAGES

Sustainable Jersey is a 501(c)(3) non-profit corporation dedicated to helping NJ local government units – primarily municipal governments and K-12 school districts – make their communities more sustainable. Sustainable Jersey partners with the Sustainability Institute at The College of New Jersey to staff and manage the Program.

- The Sustainable Jersey Program was launched in 2009, and after six years of effort, has grown to become the leading program for supporting NJ communities as they pursue sustainability. The BPU was one of the founding partners of the Program, and along with several other State agencies, participates on the Sustainable Jersey Board in an Ex Officio Capacity. The Program has a large impact because local municipal institutions are powerful leverage points for creating change within the community.
- The Sustainable Jersey Program helps municipalities that want to take action on sustainability. These efforts affect not only municipal operations, but the community as well (especially in the energy sector).
- It provides a broad portfolio of actions that represent best practice in a variety of areas. As towns implement these actions they become more sustainable and earn points toward Sustainable Jersey certification.
- The Program includes a balanced range of supporting resources, outreach and education programs, recognition events, and direct benefits such as access to financial resources.

The Sustainable Jersey Program has achieved high levels of adoption by NJ municipalities, leading to demonstrated results across a broad range of sustainability disciplines.

- At the current time, 434 municipalities are part of the Program (77% of all NJ municipalities); over 85% of the NJ population lives in a Sustainable Jersey community. Given this depth of market presence, and the unique Sustainable Jersey brand and credibility, the Program is a preferred channel for reaching municipalities, schools, and communities on issues of sustainability.
- Program participation is evenly represented across all demographics and political affiliations.

- The Program has expanded to cover not just the 565 NJ municipalities, but also 2,532 K-12 public schools managed by 590 school districts. The new schools program was deployed in partnership with the NJ School Board Association and key State agencies and organizations. As of this writing, 161 districts and 428 schools have registered to participate in the Program (after one year), 59 schools/districts have been certified in the inaugural (2015) certification cycle, including 54 Bronze and 5 Silver.

Sustainability covers a wide range of topics vital to the long term viability and quality of life of the state and our communities. Energy is a key element of this portfolio, and represents about a third of the Program (by activity, number of points, etc.).

The Sustainable Jersey energy program covers all disciplines that combine to provide a more sustainable approach to energy: building efficiency, renewable energy, advanced infrastructure (storage, distributed generation, resiliency), and alternative vehicles (particularly vehicle electrification).

“Behind the scenes”, there is a significant program of research and partner network development that provides a quantitative framework for assessing and prioritizing energy actions (and their impacts), and benefiting from the involvement from state agency staff, academia, municipal and school district representatives, and other industry or institutional experts.

The Sustainable Jersey Program results in several specific outcomes that impact energy sustainability at the municipal level and in the communities they serve. It:

- Creates a portfolio of best practices that are shared and refined across communities.
- Creates a proactive focus on more sustainable energy solutions within the municipality or school, and mechanisms for planning, taking action, and implementing clean energy projects. Each Sustainable Jersey town or school has created a “Green Team” to serve as the focal point for sustainability initiatives (including energy), and these teams have driven the implementation of thousands of sustainability projects.
- Results in increased adoption of advanced energy solutions (efficiency, renewables, etc.), specifically including increased (and more effective) use of NJCEP. Much of the Program is focused on making municipalities and school districts aware of NJCEP opportunities and helping them use the Program effectively. This is accomplished through outreach and education, supporting resources (guidebooks, web resources, etc.), and direct support (help desk functions). The Program’s office has become the de facto “support center” for sustainable energy efforts by NJ local government units and is the “go to” resource for best practice development and use.

Within the energy sector, the Sustainable Jersey Program has become a high visibility marketing and promotion initiative for NJCEP, and as such, has helped increase adoption by NJ municipalities, schools, and their community residents and businesses.

Most of these actions directly stimulated use of NJCEP, and in many cases, a single action resulted in multiple uses of NJCEP. Actions are strongly aligned with NJCEP, and cover programs such as LGEA, ESIP, Direct Install, and EnergyStar programs in various forms. The Program also covers

renewable project development, with particular success in solar. It is important to note that some of these programs are focused on increasing NJCEP use in the community, not just by the municipality (example: Home Performance with Energy Star). As a result, the impact on NJCEP usage is much higher than these action-statistics indicate directly, since a single action could stimulate NJCEP usage by numerous (potentially hundreds of) residents and businesses.

Beyond certification, Sustainable Jersey also sponsors related activities that have helped communities improve their capacity, increase expertise, gain access to financial incentives, and garner other benefits. Related programs include the Small Grants Program (which has distributed \$1,700,000 in direct funding to 235 projects, not including new grant cycles that are currently underway), the recently launched Resiliency Network, an initiative to grow regional leadership and collaboration across “sustainability hubs,” and linkages with other studies being conducted by Sustainable Jersey staff (such as the DOE “efficiency in public buildings” study).

The Sustainable Jersey Program has significantly expanded the visibility of clean energy initiatives within the state, including increased awareness of NJCEP. Key activities include education and outreach efforts, direct promotion, marketing through online resources (website, social media, email), and providing a wide variety of supporting resources (guidebooks, web-based tools, references, indexes of financial programs, etc.). In a Clean Energy market that is still developing, consumer awareness and familiarity is a significant factor. The website averages approximately 8,700 web-page visits per month, approximately 53,000 page views per month. For social media we recorded 3,240 Facebook likes and 1,944 Twitter followers, and the monthly e-blast newsletter is distributed to a (growing) distribution list of 4,918 members. The general marketing and promotion activities that are stimulated by the Sustainable Jersey Program likely have made a significant contribution to general NJCEP usage and consumer adoption.

III. FY17 SCOPE OF WORK

The BPU’s Sustainable Jersey contract supports NJCEP’s goals through three project areas: (1) the support, along with others, of the ongoing operations associated with the municipal and schools certification program as an engagement mechanism for local government, including active integration and alignment of program standards and guidance with the NJ Clean Energy Program for the energy-elements of the program; (2) the delivery of energy and NJCEP-related educational programs, outreach, and hands-on support for the local government sector as they pursue clean energy initiatives, especially regarding effective use of NJCEP; (3) the support of strategic energy program growth, including research and ongoing development of the Sustainable Jersey energy programs for both municipalities and schools, and devising new strategies for delivering NJCEP content.

1. Municipal and Schools Certification Program

Sustainable Jersey’s certification program provides an organizing framework and support resources and services that help municipalities and school districts achieve their sustainability goals. Integrating NJCEP’s policy goals and programs into the Sustainable Jersey structure provides a cost effective conduit for NJCEP to reach New Jersey municipalities and schools. To that end, a portion of Sustainable Jersey’s annual NJCEP funding supports a portion of the core

Sustainable Jersey operations, and coordination and integration of NJCEP with Sustainable Jersey initiatives.

- **NJCEP Engagement - Integration and Coordination (Municipalities and Schools):** In order to coordinate both its messaging and work efforts, Sustainable Jersey meets regularly with its partners at the BPU and other program managers, and participates in monthly meetings to stay informed on developing issues regarding NJCEP. This continuing engagement ensures that the support provided to municipalities is current and aligned with recent NJCEP developments. It also allows for feedback to NJCEP on policy issues and programmatic details that Sustainable Jersey staff gain from municipalities and schools as part of participation in the Program.
- **Sustainable Jersey Certification Process (Municipalities and Schools):** Sustainable Jersey implements the annual certification process, including review and assessment of submitted applications and interactions with towns and schools as they pursue certification. Approximately 22 percent of the actions submitted for review are energy-related.
- **“Help Desk” Client Support (Municipalities and Schools):** The Sustainable Jersey team provides staff and Green Team members with direct support via phone, voice message, or email. Approximately 22% of client interactions deal specifically with NJCEP-related issues. This support process, in combination with the continually evolving resources provided for each action, is one of the most visible parts of the Sustainable Jersey Program, and it is key to helping the participants achieve their certification goals. This process is an effective mechanism for supporting municipalities and schools attempting certification in their use of NJCEP.
- **Website Support and Enhancements (Municipal and School websites):** The Sustainable Jersey website and the Sustainable Jersey for Schools website provide a backbone of support for local staff and green teams working on actions, as well as for workflow management of the certification process by Sustainable Jersey staff. The FY17 plan will support a proportion (commensurate to the proportion of energy actions in the Program) of the staff efforts related to ongoing website maintenance and bug-fixes, high priority usability enhancements, action-category group optimization (restructuring), action transition management, and staff reporting enhancements.
- **Strategic Planning:** Ongoing involvement in NJCEP strategic planning efforts, including market development and thought leadership efforts that help develop the clean energy economy in NJ.

Task Deliverables:

Under this task, Sustainable Jersey will:

- Participate in monthly NJCEP meetings including the Program Administrators Meeting, EE Committee and RE Committee meetings, the monthly stakeholder groups, and other special working groups as appropriate.
- Support the annual Sustainable Jersey certification process for schools and municipalities.

- Provide “help desk” support to municipalities, schools, and school districts pursuing Sustainable Jersey certification, and help for those communities seeking to use NJCEP. Provide a quarterly summary of client support activities.
- Continue to maintain and enhance the Sustainable Jersey website for both the municipal and school implementations.
- Participate as requested in ad hoc NJCEP strategic planning and evaluation efforts, where appropriate.

2. Outreach and Education (Municipal and Schools)

Sustainable Jersey’s established marketing, communications, and event delivery infrastructure provides for ongoing contact with municipal and school/district staff, Green Team members, and other interested parties. An entire portfolio of outreach vehicles is included in the Program, including various speaking engagements, topically focused events and workshops, webinars, a routine email blast to the Sustainable Jersey network, social media, and a quarterly newsletter. Information on NJCEP is integrated throughout this communication process and the website. This includes promotion of all training and outreach events that include energy related topics, as well as posting the presentation materials on the website for easy download. The website also includes a grants portal that compiles a list of funding resources that can be easily searched by users. The compilation includes the current components of NJCEP and other energy related incentives and grants from federal, state, and others.

In addition to continuous outreach efforts as described above, the work plan includes several specific programs to be delivered, covering both the municipal and school programs:

- Website based promotion, including ongoing updates of the “grants and resources” as needed, especially related to NJCEP.
- Weekly email blast, quarterly newsletter, social media.
- Participation in at least ten (10) events where NJCEP and/or Sustainable Jersey material is distributed.
- At least four (4) workshops/seminars/webinars on Sustainable Jersey and/or energy related topics, delivered either as stand-alone events or as part of larger events (like the annual League of Municipalities or School Boards conferences).
- Participation as a speaker or facilitator in at least two (2) sessions organized by others.

Task Deliverables:

Under this task, Sustainable Jersey will:

- Update the Sustainable Jersey “master schedule” with energy related events and information, including all relevant NJCEP information and programming, and promote energy related events or notices through Sustainable Jersey communication channels.

- Keep the Sustainable Jersey website funding resources search tool current relative to NJCEP program information and other energy related incentives and grants from federal, state, and other entities.
- Produce and distribute a quarterly newsletter that includes a feature story on an energy related topic.
- Incorporate relevant energy related information in Sustainable Jersey weekly e-blasts and social media postings.
- Include NJCEP and/or Sustainable Jersey materials in table-events at conferences and events (minimum of 10 exhibits in Fiscal Year 2016).
- Deliver a total of four (4) Sustainable Jersey workshops and/or webinars on energy topics, targeted to both the municipal and school sectors. These sessions may be stand-alone or a part of larger events.
- Participate as the facilitator and/or presenter in a minimum of two (2) sessions on energy related topics at conferences or events organized by other groups.

3. Strategic Program Growth

Sustainable Jersey actions are developed through an ongoing process of discussion and research that includes participation by subject matter experts from state agencies, colleges and universities, non-profit organizations, and business leaders on topic specific task forces. This work area includes ongoing management and support of the standing Energy Task Force, targeted research on subjects that either enhance the current Program or explore new Program elements, and development of the “next generation” Sustainable Jersey Gold Program. The selection of these topics is coordinated with the BPU.

Specific program development activities include:

- Support for, and management of, the Energy Task Force, covering both the municipal and school programs.
- Ongoing assessment, maintenance, and enhancement of the energy actions within the Sustainable Jersey program, both municipal and school programs. This includes evaluating feedback from local governments participating in the program, including certification data, on an annual basis.
- Environmental Defense Fund/NJ Natural Gas (EDF/NJNG) embedded consultants, for school districts and municipalities. This year’s program will continue use of specially trained resources deployed onsite with multiple school districts and, this year, with municipalities, all to provide direct expertise and capacity in NJCEP usage and energy action implementation. EDF teams will produce a final report including recommendations for NJCEP and will report back to the EE meeting.
- Tracking municipal performance on key energy metrics and using the Sustainable Jersey certification to incentivize performance via the Gold Level of Certification.

Strategic research and program development related projects will be selected in coordination with BPU and could include one or more of the following:

- Updating the Clean Energy Database with 2014 and 2015 numbers for local governments participating in NJCEP.
- Updating the Sustainable Jersey Actions promoting Direct Install to the private sector and Home Performance with Energy Star. Assessing their effectiveness and devising new strategies that are more tightly coordinated with NJCEP's administrator and/or program managers.
- Developing a performance-based Action for behavioral modifications in schools learning from the Power Save Schools Program pilot.
- Researching how schools (as distinct from other levels of local government) interact with NJCEP to better align NJCEP and Sustainable Jersey programming.
- Researching best practices, and developing a new Sustainable Jersey Action, for energy storage options for local governments and schools.

Task Deliverables:

Under this task, Sustainable Jersey will ensure:

- The conduct of at least three meetings a year of the Energy Task Force, followed by provision of a summary report regarding each such meeting.
- That changes to the energy elements of the Sustainable Jersey municipal and school programs will include updates to existing actions resulting from:
 - The conduct of internal audits
 - Changes in NJCEP
 - Introduction of new actions, as deemed appropriate by the Energy Task Force and the Sustainable Jersey certification standards committee.

Progress will be incorporated in the ongoing quarterly progress reports.

- The finalization and publication of indicators for the energy elements of the Gold level of certification, the provision of support to an initial cohort of Gold applicants, and the tracking of their performance.
- The completion of an enhanced EDF/NJNG embedded consultant program for school districts and municipalities. Deliverables will be a final report from each Fellow, a program summary provided by Sustainable Jersey, and recommendations from the ground level on improvements to NJCEP. Activities will also be embedded in the quarterly progress report.
- Produce and publish at least one additional new program element, research deliverable, or Sustainable Jersey Action, from the list above, as coordinated with BPU staff.

Attachment C: EDA Programs
New Jersey Economic Development Authority
Clean Energy Programs

The New Jersey Economic Development Authority (EDA) will be administering grants and loans previously approved as part of three Clean Energy programs:

1. The Edison Innovation Clean Energy Manufacturing Fund (CEMF).
2. The Edison Innovation Green Growth Fund (EIGGF).
3. The Large Scale Combined Heat and Power /Fuel Cells (LSCHP) program.

No new applications will be accepted during FY17 for any of these programs. The first two programs are described below; the last is described in AEG's compliance filing.

The CEMF program provides assistance in the form of low-interest loans and non-recoverable grants to companies manufacturing renewable energy, clean and energy-efficiency products in New Jersey. The CEMF will ultimately provide New Jersey consumers with greater access to these products by developing manufacturing facilities in New Jersey.

The EIGGF program offers assistance in the form of loans to clean technology companies that have achieved 'proof of concept' and have achieved successful, independent beta results and are seeking funding to grow and support their technology business. The EIGGF will ultimately provide New Jersey consumers with greater access to these products by developing emerging technologies in New Jersey.

More details regarding the CEMF and EIGGF programs are set forth in previous compliance filings.