

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
October 9, 2012
New Jersey Board of Public Utilities
Trenton, NJ**

EPA Century Awards (Presented by Mona Mosser)

- Three awards were presented on behalf of Home Performance with ENERGY STAR for work completed in the residential market:
 - Hutchinson Mechanical – 431 job completions and ranked 7th in the nation
 - BC Express – 250 job completions and ranked 19th in the nation
 - Divine Energy Solutions – 206 job completions and ranked 30th in the nation
- They were recognized for exceeding 100 comprehensive job completions and were given the EPA Century Award for residential energy efficiency.

Program Coordinator and Regulatory Updates (Presented by Mike Winka):

- BPU is currently trying to align the NJCEP budget with the fiscal year. They are doing so by adding six months to the current calendar year which will allow the budgets to properly align with the fiscal year in 2013-2014.
 - All of the data discussed in this meeting is available on the NJCEP website or through the presentations circulated through the EE email list prior to the meeting. (See NJBPU OCE 2014-2017 Funding Level Staff Straw Proposal)
- Mike Winka reviewed prior year budgets:
 - 2001 – 2004 (Total budget increased from \$115M in 2001 to \$124M in 2004)
 - EE funding levels – 75% of total budget
 - RE funding levels – 25% of total budget (minimum)
 - 2005 – 2008 (Total budget increased from \$140M in 2005 to \$235M in 2008)
 - Percentage of funding levels for EE and RE varies each year (see Table 2)
 - 2009 – 2012 (Total budget increased from \$235M in 2009 to \$379.25 in 2012)
 - Percentage of funding levels for EE and RE varies each year (see Table 3)
- Table 4 – Details the budget as it was initially approved by the Board and doesn't include revisions or true-ups
 - Commitments are important, more so than the expenditures, because once a commitment is made and an approval letter is sent, that money is set aside for that specific project.
 - The Large Energy Users Pilot (LEUP) is an example of a program with a large budget but low expenditures. LEUP discussion started in 2010 and payments will finally begin in the fourth quarter of 2012 and first quarter of 2013.
 - \$689.5M lapsed to Treasury because it appeared to be uncommitted and available, when in fact it could potentially already be committed.
- The BPU goals that were set forth for each of the separate timeframes were reviewed (See BPU slideshow:
 - 2005 – 2009
 - Goals were based on an increase in funding for energy efficiency which also correlated to an increase in savings.
 - Goals were met through 2007 which was also the time of the utility transition to the current market managers.
 - 2009 – 2012
 - Goals were based on the Energy Master Plan (EMP) through 2020.
 - 2014 – 2017
 - Goals are based on a revised EMP from 2011 which included a reduced baseline.
 - Goals are aligned to achieve the same things as in 2008.
- BPU charts tracked spending levels:
 - They aren't trying to reduce the rebate numbers because of people that are out selling jobs. They are instead trying to slow the speed of the program through program changes in 2013.

- Anne-Marie (NJNG):
 - **Q:** It seems the earlier goals were policy driven and more recently with the EMP it seems the goals are more along the lines of the L-cap structure to save money?
 - **A:** As the market becomes more energy efficient, the possibility of driving down prices can occur. The primary goal in the EMP is the funding levels and what is projected to be needed. The money is initially set in buckets but that doesn't necessarily mean that revisions won't be made; it's moved where it's needed. The BPU looks at the entire budget amount and decides how they can distribute it to be the most cost effective.
- Question from the phone:
 - **Q:** Related to how commitments are paid and when the savings are tracked in the process.
 - **A:** Commitments/expenditures are usually committed in one year and paid out in the next year. The savings aren't reported until the time of payment. The commitments float in time, especially in the case of Pay for Performance. A commitment can be made but the savings are not recorded for a year or more.
- BPU slideshow – Summary of savings across all of the programs.
 - Showed the number of participants in each of the sectors and how they have increased over time.
 - Discussion about the percentage of NJ residents participating in the NJCEP programs (this doesn't seem to be a readily available number)
 - Some of the programs have restrictions about re-participation (example: changing lighting from T12 to T8 and then coming back through the program to replace T8 with T5)
- Discussion is currently about the budgets and how the Board determines budget levels.
 - The Board looks at a specific period of time in order to figure out what their comfort level is and that's where the bar is set. They also review spending trends from the past 10 years and decide how to divide up the budget. The money can be moved as needed but it gives the Board an idea of past funding levels and where to start.
- Residential programs:
 - Incentives vs. financing and the number of participants associated with this program.
 - Financing will have fewer participants initially but the number will grow over time.
- Interim straw proposal – This is a draft straw proposal through October 22. The Board will accept comments and revise the straw proposal to be set forth in the hearing expected in 2013.

Updates on Filings, Board Orders and Regulatory Items:

- BPU still reviewing filings for South Jersey Gas and New Jersey Natural Gas.
- As Mike Winka understands, PSE&G is looking for a filing date and it should be in as of now.

2012 – 2013 Budgets:

- October 23rd – Revised compliance filings to be presented for approval
- January or February 2013 Revised Public Hearing Date
- There were six bidders for the Program Administrator RFP which are currently under review.

Residential Program – Honeywell Team:

- Year-to-Date charts are included in the presentation sent out through the EE listserv prior to the meeting.
- Refrigerator Recycling – An increase in participation from 53% last month to 59%. These numbers are still lagging slightly behind the program goal.
 - *New Jersey's Oldest Refrigerator* contest is complete and the winner is being notified.
- Home Performance with Energy Star
 - Compared to last year, they are at higher number of enrollments and completions.
 - There are currently 122 active contractors with training for this program.
 - Activity
 - Tier 2 – This is currently not an active area of participation
 - Tier 3 – Goal exceeded (116%)

- Completions
 - Tier 2 – Low
 - Tier 3 – Goal exceeded (114%)
- SEP funding approval
 - Full budget amount reflects two funding phases and 94 projects in total
 - Money is still available in this program
- Easter Heating & Cooling Council
 - Trade Ally partners – Business isn't great at the moment but since there are trainings offered it can definitely help business pick up
 - New contractor orientation – 17 attendees and 9 companies
 - Currently have 152 active contractors compared to 140 at the beginning of 2012

2013 Proposed Filing Changes – Honeywell Team:

- Proposed a lower budget and still want to achieve proposed energy savings along with a smooth transition while still being able to reach the customer.
- Table 2 – 2012 RE budget is a work in progress pending review and approval by BPU so that it can be included in a filing for the Board
- HVAC – Maintain 95% furnace minimum efficiency and reduce furnace incentive to \$250
 - Eliminating central AC incentives
 - Focus on replacing water heaters and addressing boilers

Commercial & Industrial Program – TRC Team

- TRC Team program results are included in the presentation sent out through the EE listserv.
- LEUP – Total potential incentives for commitments between 2011 and 2012 are approximately \$20M
- LGEA – There will be a hard shift to ESIP school entities only
 - Questions asked why a transition to only schools?
 - Audit applications are sitting and entities aren't completing the process.
 - The program has touched most of the municipalities in the state so it's time to change the focus of the program.
 - Based on the revised budgets some changes need to be made to slow the rate of spending.
 - This proposed change can be revisited and is not completely off the table
 - There were concerns expressed from Sustainable Jersey about LGEA; they want to make sure that their messages are aligned and a consistent message is being circulated.
- Small CHP Program
 - Remaining funding is currently at \$5.5M in potential commitments
 - The revised proposed budget is \$17M
- LGEA remaining budget
 - \$1.4M in commitments
- BPU is currently monitoring the activity in the Pay for Performance New Construction program.
- LEUP suspension – Similar to the SBC Credit program currently being proposed.
 - Eligible customers get 100% of their contributions to the SBC if they're doing energy efficiency projects. The proposed program will pay 50% of the cost of the project based on a draft/final report.
 - Straw Proposal includes the possibility of this funding change because the SBC funds wouldn't be added to the NJCEP budget and would be considered separate.

Other Business, Next Meeting:

- The next EE Committee meeting will be held on Tuesday, November 20th at the BPU Offices at 44 S. Clinton Avenue, Trenton (1st Floor Multi-Purpose Room). You can locate meeting information and notes at <http://www.njcleanenergy.com/ee>.

ATTENDANCE:

Name	Company	In Person	By Phone
Bowen, Mark	Franklin Synergy	X	
Bryant, Elaine	PSE&G		X
Deangelis, Diana	Pepco		X
DeLuca, Brian	TRC	X	
Dempsey, Peter	South Jersey Energy Service Plus	X	
Dewitt, Frank	Alternative Energy Assoc.	X	
Ellman, Susan	NJNG	X	
England, Cheryl	Elizabethtown	X	
Evans, Frank	Comverge		X
Fisk, Andrew	CSG	X	
Graham, Marianne	ICF Working in support of EPA ENERGY STAR		X
Grossman, Bruce	SJG	X	
Guril, Christine	Sierra Club	X	
Haddock, Kyle	EIC, Comfort Home	X	
Holmes, Bill	SJG	X	
Miller, Ashley	TRC	X	
Mitchell, Allison	BPU	X	
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel		X
Nole, Meredith	American Efficient Lighting		X
Ortiz, Yennaira	Honeywell	X	
Paine, Karen	TRC		X
Palmer, Bill	Kamson Corp	X	
Sherako, Jill	Eastern Heating and Cooling Council	X	
Teng, Elizabeth	BPU	X	
Tobian, Carol	National Resource Management, Inc.		X
Wolk, Dave	Honeywell	X	
Wong, Doug	BC Express Inc	X	
Zukas, Diane	TRC		X
Mario Vieira	New Millennium Lighting	X	
Anthony Deuble	NML Lighting	X	
Cynthia Holland	Genora Burds Giantomesi & Webstar	X	
Tom Hutchinson	Hutchinson Plumbing Heating & Cooling	X	
Ade Dosunmu	Capacity Market Partners	X	
Kenji Takahashi	Rate Counsel		X
Melissa Whited	Rate Counsel		X
Paresh Trivedi	Reliability & Security		X
Tony Barnes	EnergySavvy		X
Bill Parlapiano	Peci		X
Linda Wetzel	AEG	X	
Mike Winka	BPU	X	