

EE Committee Meeting Minutes

CSG, Iselin, NJ

October 11th, 2011

Program Coordinator and Regulatory Updates

Presenters: Mike Winka, Mona Mosser

o Updates on Filings, Board Orders and Regulatory Items

- The extension in the new reporting process for RFP's are mainly with solar. It is taking a while to figure out actual electric sales. We need to figure out whose selling what. This will be proposed on December 1st.

o 2011 Program & Budget Modifications

- The 5th revised budget was approved. There is some movement in dollars through the programs selling more HVAC's. Money has been moved from the C&I new construction, LGEA, and P4P, to Direct Install and EECBG.
- The reallocation of the Comfort Partners budget has been approved.
- The Solar ACP is out for comments. Comments are due in November.
- The SEP and State Energy Program approved the use of state dollars for other fuels for Non-IOU's. This will extend the other programs to be able to use the Non-IOU programs.

o ARRA Activities

- EECBG is winding down. The municipalities helped with the energy savings website.
- About 512 municipalities have benefited from the ARRA work.

o EMP Work Group Reports

- Three of the four reports are done now and the fourth was submitted on Friday.
- Public hearings are scheduled for October and November.

o Transition Status

- The multi-family pilot is moving forward. The 2011 budget of 30 million is being set aside, and the staff is proposing moving 10 million into the multi-family budget
- The CHP proposal is moving forward towards the November agenda.

o 2012 Compliance Filings

o Smart Growth

- Staff circulated a proposal to modify smart growth policies. Comments are due by October 14th

o OSW Funds (Movement)

Residential Programs

Presenters: Honeywell Team

2012 Residential Energy Efficiency Plan Draft.

1. Timeline for 2012 NJCEP Filing

- June 7- Release of EMP
- June 30- Program Suggestion to HW
- Late June-High-level Budget Confirmed
- July 12- Plan Overview to EE Committee
- August 9- Final Overview to EE Committee
- September 15- Final Draft Overview to OCE staff
- September 20- Final Draft presented to EE Committee
- October 5- Complete Draft CF filed w/ BPU
- October- BPU solicits public feedback on filing
- November- MM Incorporates Feedback into final filing as needed
- December- BPU Adopts MM Plans

2. 2012 Budget

- Total combined budget: \$ 93, 811,784.48
- Programs included: Residential HVAC –electric and gas, Residential new construction, Energy efficient products, Home Performance with energy star, and Marketing.

3. 2012 Residential EE Savings

- Total Annual Savings (KWh) 281,200,264 (therms) 5, 978,820.
- Total Lifetime Savings(MWh) 1,944,341 (DTh)11,750,865

4. HVAC Program-1

Continue to Promote a Mix of Technologies

- Furnaces: 95 AFUE +2% new Energy Star level
- Central Air : 16 SEER
- Water Heaters: .82 EF (Tankless) and .90 TE (Condensing Storage, Sealed Combustion), Solar
- Power Vented at .67 EF, Heat Pump WH
- Geothermal: Energy Star EER/COP levels
- Pilot Drain Water Heat Recovery and Boiler Controls

5. HVAC Program-2

Pilot Upstream Programs

- Level Financing already Being Used by Manufacturers and Distributors
- Midstream Water Heater Pilots

Continue Contractor Supports

- Maintain Emphasis on NATE
- Increased Focus on BPI & Combustion Safety
- Decision Tree to Help Customers Decide HVAC vs. HPwES

6. HVAC Program – Incentives and Quantities

Heating/Cooling

- Furnaces \$400/15,000
- Boilers \$300/2,200
- CAC/ASHP \$500/11,000
- GSHP \$500/25
- Water Heating
- .82 EF or 90% TE Sealed \$300/2,500
- Midstream -\$250,000 budget
- Solar DHW \$1,200/15
- Other
- CAC Upstream Financing \$350/~285
- New Pilots ~\$100,000 budget

7. Home Performance with ENERGY STAR- Context

- Goal: Increase Number of High Quality Jobs
- Continued Program Refinement: a Multifaceted Approach
 - Educate consumers to understand program alternatives
 - Financing and incentives to offset homeowner cost
 - Streamline operations to support contractors
 - Sales training and technical training
 - Standards to ensure quality

8. Home Performance with ENERGY STAR-2

- Guide customers to best program option
- Decision tree on website
- Residential program brochure
- Increase Co-op Incentive from 20% to 40%
- Increase HP Co-op Marketing cap to \$20,000
- Streamlining “true up” process to decrease contractor time required to align savings modeling bills

9. Home Performance with ENERGY STAR-3

Financing

- Continue \$10,000 loan for tier 3 where utility loans are unavailable
- Offer \$5,000 loan for tier 2 where utility loans are unavailable

Incentives

- “Right Size” customer incentives
- Modify contractor incentive-increase quality

10. Home Performance with ENERGY STAR- Incentives

Customer Incentives	Tier 2	Tier 3	Tier 3
SF Incentives	\$2000	\$4000	\$5000
Quantities	650	325	2,275
MF Incentives	\$500	\$1000	\$1500
Quantities	320	240	240

11. ENERGY STAR Homes-Context

- ENERGY STAR v3.0 take effect in January 2010
- New construction new market is still sluggish
- There are additional costs associated with v3.0
- Robust participation is need to deliver the greatest total savings and a cost effective program

12. Energy Star Homes-1

- Adopt tiered approach: Good, better, best...
- Energy Advantage: ENERGY STAR v2.0 + NJ requirement
- Energy Star v3.0
- Climate Choice Homes
- Move to Performance Based Incentives
- Within each tier, higher incentives for higher performance
- Base incentives on HERS rating
- Modest Differential in incentives between energy advantage and energy star tiers

13. ENERGY STAR Homes-2

- Broaden co-op marketing offer
- Allow TV, radio and Web(with specific requirement)
- Develop templates to increase uptake and decrease admin costs
- Reflect EPA’s new high rise multifamily requirements
- \$1,000/unit incentive for meeting spec
- Continue promoting CCH tier
- Monitor EPA/DOE Criteria as a “Climate Choice” transitions to “Advance Technology New Homes Program”

14. ENERGY STAR Homes-Incentives

- Average Incentives
- Energy Advantage
- ENERGY STAR: \$2,438
- Climate Choice Homes: \$15,000
- Actual tables will be included in the compliance filint

Lighting Incentives/Quantities

- CFLs \$1.50/5 mil.
- LEDs & Fixtures \$22.50/50,000
- Creative \$8.00/200,000

Electronics Incentives/ Quantities

- Set top boxes \$12/65,000
- Power strips \$10/10,000

Appliances Incentives/Quantities

- RF ERP recycling \$107/20,000
- RF ERP rebate \$50/20,000
- CW downstream \$50/15,000
- MIDSTREAM promotes ~\$1MM combined budget/TBD
- HP Dryers \$250/200

15. 2012 Marketing

- Increase focus on co-op
- Develop templates, increase channels
- Support clean energy brand and develop generic program support
- Conduct cost-effective lead generation
- Funnel consumers into appropriate programs through web/direct mail
- Post “decision tree” on website and give to HVAC and HPwES contractors to educate customers
- Cross promote Utility DR programs
- Leverage existing sustainable Jersey framework to drive residential program participation.

16. Possible 2012 HP Marketing Options

- Direct mail
- Broadcast TV
- Direct Outreach
- Print Advertising
- NJ.com
- Expanded energy minute radio spot

Commercial and Industrial Program

Presenters: TRC Team

1. 2012 Proposed Budget

- Total budget for C&I budget-\$259,266,116.25
- Admin and program development total-\$3,797,362.45
- Sales, marketing, call centers, web site - \$1,575,000.00
- Training and technical support - \$2,184,031.60
- Rebates , grants, and other direct incentives - \$245,392,061.11
- Rebate processing, inspections, other quality control - \$6,317,661.09

2. 2012 Program

Direct Install

- TRC conducts energy assessments
- Field staff generate SOWS for assignment to contractors
- Eliminates pre-inspections
- Continuing to explore on bill financing
- Preliminary meeting held with utilities and board staff
- RFI out in October for contractor prequalification
- Posted on web-site
- Allows many firms to respond
- Respondents evaluated the offered opportunity to receive RFP

3. 2012 Program Discussion Points

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- New monthly peak demand level
- Project incentive level at 70% for materials and labor
- Project t level cap \$75,000
- Revised measure list;
More intermediate HVAC sizes, LED screw ins, high intensity infrared heaters, ceiling mounted space heaters, etc.

4. LGEA

- Help promote ESIP to LGEA participants
- Closely align current audit product to ESIP requirements
- Rebid the audit services, firms under contract to TRC
- Require DAM certification

5. Pay for Performance

- Existing and New Construction CHI
- Continue to coordinate with EDAM EE revolving loan fund in 2011/2012

6. Multifamily Loan Program

- Combination of incentives and bank financing
- Blended financing rates below market
- Bank financing, administers and pays back NJCEP
- Start program in 2011 and continue in 2012
- Incentives supplemented with financing
- 50% of loan from NJCEP revolving loan fund
- 50% from bank

7. Pay for Performance – New Construction

- Revising the process to mirror P4P for existing buildings and simplify the process to increase participation, moving to
- Draft ERP, as built ERP, commissioning Report
- Current incentive up to \$1.60/SF; up to 75% incremental project cost
- Increase \$/SF cost to move more projects closer to the 75% level of incremental cost

8. Prescriptive Incentives

- Variable Frequency Drives
 - VFDs for boiler/heating systems
 - Kitchen hood incentives, new and retrofit
- Lighting
 - 4' LED strips for refrigerated cases
 - 2x4 & 1x4 LED panel fixtures
 - GU24 based CFL new fixtures
- Heating/Cooling
 - Low intensity infrared heaters
 - Boilers/AC economizing controls

9. 2012 Program – RCx Pilot

- Building over two years old
- Presence of an EMS/BAS
- Mechanical equipment in good condition
- Minimum customer sliding scale investment threshold
- Prequalified RCx companies in network, MM reviews applications and assigns work to contractors
- TRC conducts benchmarking of facility, if it is eligible
- Customer submits RCx plan from their contractors
- Plan incentive, based on potential savings, is committed by MM on a \$/kWh and term saved during first year

- TRC accompanies RCx firm on initial site visit and walk-through
- RCx firm creates draft RCx plan for MM review

10. Large Energy Users Pilots Program

- Launched on August 1st
- Enrollment period began August 12th
- 22 applications received
- 20 eligible entities
- Estimated project value of \$12-12.5 million
- FAQs added to the NJ Clean Energy web site