

New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
Wednesday, February 21, 2008
Hosted by Honeywell - CSG/Iselin

Attendees:

In Person:

Mike Ambrosio (AEG)
Dave Wolk (Honeywell)
Dawn Chaplin (Honeywell)
Diane Zukas (TRC)
Maria Grazul (CSG)
Tom Rooney (TRC)
John Zarzycki (BPU)
Mary Sheehy (NJHMFA)
Paul Madden (SJG)
Rick Cohee (LRS)
Brian Dolan (Intellidyne)

Michael Winka (NJ BPU)
Anne-Marie Peracchio (NJNG)
Chris Granda (VEIC)
Deane Evans (NJIT)
Roger Kliemish (TRC)
Gabe Nathanson (NJHMFA)
Fred Hauber (EES)
Susanna Chiu (PSEG)
Rachael D. Fredericks (LRS)
Owen Hyland (AEA)
Gary Minkof (Above & Beyond)

Mona Mosser (NJ BPU)
Julie deSeve (CSG)
Linda Wetzel (AEG)
Kimberly Hoff (CSG)
Ben Adams (Magrann)
Joe Gennello (Honeywell)
Jeff Miller (QuadrillionSolar)
Frank Reilly (TRC)
Tom Pecora (Honeywell)
Jill Sherako (EH&CC)

Via Phone:

Greg Coleman (TRC)
Karen Paine (TRC)
Paresh Trivedi (NJ BPU)

Dave Nichols (Rate Counsel)
Clif Payne (CMC)
Joe Carpenter (NJDEP)

Jeremy Kirsch (Positive Energy)
Chris Bitters (Energy Solve)

Introductions

Program Coordinator and Regulatory Updates

Presenters: Mike Winka and Mike Ambrosio

1. Recent Filings, Board Orders and Regulatory Update

- a. Susanna Chiu - PSE&G Carbon Abatement Order issued December 12th. – \$46 million dollar, four (4) year program to help address climate change and achieve carbon reduction goals. Segments noted: 1) Small Business Direct Install – currently working on the RFP 2) Warehouse – general info. going to the BPU, 3) Hospitals, 4) Thermostats – rolled out and PSE&G service technicians installing and 5) Residential Tune Up Program – working with the Honeywell team to align with the Home Performance Program.
- b. 2009 budget has been approved and signed off - early January. Everything is in place. There are contract mods for TRC and AEG in front of Treasury and Honeywell's are under review at AEG. Honeywell 2008 Performance Incentives slated for Jan 28th Board meeting.
- c. Contract extensions approved by Treasury and the Board. Started January 9th and goes through 2010.

2. State Economic Stimulus Plans

- a. Governor Corzine's Economic Stimulus Plan – Multiple utilities filed yesterday; the remainder expected today. Public documents will be filed.
 - 1) Governor called for \$500MM in stimulus spending. This has been split into infrastructure and energy efficiency - renewable energy and demand response.

- 2) Dave Nichols (Rate Counsel) - What portion is energy efficiency on the stimulus plan? Mike Winka – We currently do not know the portions, however, \$500MM is still the overall total (not the energy efficiency total).
 - 3) Anne-Marie Peracchio (NJNG) – Filing is consistent with what has been on the table for whole house approach and direct install. 1) Enhanced rebate with same criteria as NJCEP WARMAdvantage Program and must have a home energy audit performed. Goal of 5k audits. 2) Home energy audit program in line with NJCEP Home Performance Program3) Direct Install. Only thing that is different is that financing was taken off the table in order to get the filing submitted by a specific time. It will be revisited.
- b. Energy Master Plan calls for the transition back to the utility companies and this is just a start. 2009 should be used to plan the transition. Mike Ambrosio commented on the stimulus seems to support the utilities enhancing along with NJCEP up front.
- 1) Suggestion to coordinate a separate meeting to discuss.
 - 2) Mike Ambrosio opened the question about how similar the utility filings are going to be, questioning whether the utilities should be there for a working session or separated out. Mike Winka confirmed that the Market Manager’s and utilities should be there for the first working session together because of similarities and separated afterwards. Mike Ambrosio taking ownership.
 - 3) Concerns expressed about fragmentation. Logistics, administrative costs, policy decisions, etc. need to be made. NEEP has talked about a structured format when programs transition back to the utilities.
 - 4) Mike Winka - We should also post on the NJCEP website.
 - 5) EMP utilities filings meet 4 year cycle.
 - 6) Mary Sheehy (NJHMFA) commented on liking the one stop shopping; having everything under NJCEP with one point of contact, one website etc. Commented on the positive education resources that have come from NCEP.
3. Under the directive to reduce costs, one item being reviewed is the Nexus audit. The cost and under use have suggested review. What is currently agreed upon is that NJCEP will cover the cost until a decision is made what to do with it (e.g., individual utilities).
- a. Noted that there are a number of free online tools available. However, some utilities have a component directly tied to the Nexus.
 - b. Subsequent to that ACE and PSE&G were looking at enhanced services. PSE&G went with another program that was more cost effective.
 - c. NJNG and SJG integrated it with their billing systems and they saw a tremendous increase in usage.
4. Kicking around the idea for Community situations like Habitat for Humanity (HFH). Isles is similar to HFH and we have been talking with them in Trenton and the surrounding areas. They are working with us on a voluntary basis - not providing any additional funds to Isles. Getting them to not just upgrade, but also have carbon neutral goals.
- a. Marty Johnson, President and Founder of Isles, is trying to set up a meeting first week in Feb. Anyone interested can contact Marty.
 - b. Dave Nichols asked what the scale is of their activity and if their services are line with our objectives. Mike Winka advised that we have asked for this info., but have not received it yet.
 - c. PSEG is working with Isles in the Carbon Abatement per Susanne Chiu.

Energy Efficiency Plans Filing Updates & Progress

Presenters: Dave Wolk (Honeywell) & Chris Granda (VEIC)

PowerPoint Presentation/Handouts:

- 1) Res. Programs Progress toward Goals, Statewide Results YTD December 2008
- 2) NJCEP 2009 Res. Efficiency Offerings.

1. Res. Programs Progress Toward Goals, Statewide Results YTD December 2008

- a. HVAC – Noted that we are happy with results based on today's economy.
- b. Clothes Washers – Noted almost 80% of applications were actually for the higher tier rebate for 2.2 or higher MEF units.
- c. Dehumidifiers – Noted that we slightly doubled our goals.
- d. CFL Completions – Still getting our partner invoices at this time.
 - 1) Chris Granda reminded us that in 2008 we went to a much larger scale upstream and we are disappointed with the showing. They are analyzing and will give more details at a later date.
 - 2) Joe Gennello - At this time, are in "a full court press" with the big box companies. Jumping up in volume this year
 - 3) We have more time in 2009, starting earlier in the year.
 - 4) Average incentive per bulb in 2008 \$1.15 about and we are hoping for slightly better this year. When you add creative proposals it's closer to \$1.30.
 - 5) All 6 GNJRT's have met their goals in the allotted time frame.
 - 6) This has been very well received from the communities and the press.
 - 7) Joe Gennello - EFI broadening with ESH and hopefully with HP as well.
- e. New Construction – Enrollment goal on PowerPoint slide is incorrectly represented at 7,500 units. The goal is, actually, 27% of estimated permits statewide and is a moving goal. We have been able to maintain market share [5,485 enrollments compared with current 27% of permits = 4,697], which is great with the type of market we are currently in.
 - 1) Ben Adams – On a prorated basis we are looking at about 16K Certificates of Occupancies compared to about 23K for last year. Enrollments are still up, but completions are down.
 - 2) Rubin?? ,on the phone, very interested in ascertaining more information about new homes. Dave Wolk said please email a request for those stats.
- f. Home Performance – About 87% of reported audits are done by program auditors. The reason why we say "reported audits" because some contractor audits are done, but there may not be a sale as there is no requirement for the reports to be filed. Our sense is most do, but there may be a small number that do not and we are looking at that for this year to close that gap.
 - 1) Mona Mosser had a question about who does the audits with contract mods this year and we clarified that Honeywell/CSG does them as well as outside contractors.

Note: There are still some jobs in the pipeline that have not hit this report. It was noted, that we are still not where we need to be with completions.

2. 2009 Res. Efficiency Offerings

- a. New Construction – Expansion to 3 Tiers. Notification is going out soon with implementation and we will also post on the listserve.

- 1) The micro load home in Chris Granda's mind is the home of the future.
 - 2) Also transitioning to open rater market. Raters paid by the builders. Noted as a sort of a complicated transition. The plan is being put together now.
 - 3) Mike Ambrosio questioned incentive plan structure. Chris Granda says that with this market we are risking builder drop off if we do not entice them.
 - 4) Mike Ambrosio also wanted to know if we have information from other states as to costs to an open rater market structure. Ben Adam's noted that the rating cost is somewhat of an invisible incentive; NJCEP provides rating as part of the program.
 - 5) We are also responding to improvement in NJ building code upgrades for 2010 and we need to start preparing in 2009 for that. Mike Winka advised that there was a stakeholder meeting to discuss change in codes...noted that developers were not opposed and he thinks we have most of the building community is alright with it. He believes there is signoff on most of them at this time.
- b. Quality Install Verification – It is not just about the equipment rating, but how it is installed that greatly impacts the operating efficiency, however recent findings indicate that installation does not have as much impact as originally thought. At this time, QIVI is more of a research project as we revisit the details. Note that we are not a predominating cooling climate like areas the earlier reports may have come from.
 - c. Duct Sealing - Designing from the ground up and we do not have an exact model to compare to, but Connecticut has a good one we are using to help.
 - d. Solar Water Heating – Electric hot water only. We are going to see what the costs come to. Specification not yet determined. Chris Granda also said he would like to see it done with some sort of water conservation as well.
 - 1) Fred Hauber suggests that we look at overall solar electric to solar water heater stating the DOE researched and he believes the numbers were not attractive, which was why he thinks nothing has happened before for just water heaters.
 - e. HVAC – Note that this somewhat competes with the ENERGY STAR Homes. Need to further integrate.
 - 1) Mike Ambrosio asked about how many HVAC installations were New Construction. Joe Gennello responded that they would look at.
 - g. Green New Jersey Resource Teams (GNJRT) – Received 8 proposals. Chris Granda needs to schedule something with Mona Mosser.
 - h. Room Air Conditioners – May need a different approach. Noted as very much a Northeast American product.
 - i. Electronics: 1) Looking at two different TV models right now. 2) Also gearing up for desktop computers. 3) Set top boxes have some very technical issues that they are looking into now.
 - 1) Attorney for the cable industry interested in a sit down.
 - 2) Joe Gennello – Vegas electronics show had stronger energy efficiency showing. Thinks we have this timed well with the industry.
 - j. Refrigerator Retirement – For older units that are operating, but are not efficient. This is awaiting a 2009 contract mod.. After implementation we may find this opens the door for other items.
 - k. Home Performance – Large and dramatic changes in response to the EMP as we need to ramp up the numbers. Overall cheaper and quicker; adding an intermediate tier of free air sealing which we believe will be too good to refuse.
 - 1) Problem – filing included a request for different, faster, funding for payment on air sealing as contractors will be completely dependent on NJCEP, which was not approved. We are currently in search for contractors who would be willing to do work under extended payment terms. We should know in about a week. .

- a) Anne-Marie Peracchio (NJNG) – They can help pay for this.
- 2) Mike Ambrosio– Brought up the 2009 renewable incentives including the Home Performance audit. Noted that how it will work is that applications will be calculated at the higher amount, but then reduced to the lower amount if a completed audit report is not on file at the time of build.
 - a) Somewhere around 200 audits in the first funding cycle.....perhaps around 600 for the total year. Questioned if our infrastructure is ready for the increase in audit requests and we believe we are.
 - b) Questioned if we are also ready for solar companies who will be interested in becoming BPI certified as well. Again, we believe we are. Noted that training is a three (3) day class room training, then one (1) day in the field, and that we also offer some tech support. Overall from start to finish about 6-10 week cycle.
- 3) Timing - Tier 1 to 3 payment questions still need to be resolved. We are looking at March to become up and running. (Note: Need to identify contractors willing to work under current conditions.)
- I. Community Partners – Joe Gennello – Very excited about this initiative. Budget is about \$1MM split for incentive and others. We are looking at something broader than just the current NJCEP version such as using an existing vehicle, www.sustainablejersey.com March 25th Community Partners Meeting date noted for in New Brunswick.

Commercial Plans Filing Updates & Progress

Presenters: Roger Kliemish (TRC) and Tom Rooney (TRC).

PowerPoint Presentation/Handouts:

- 1) C&I 2008-2009 Program Overview Presentation
- 2) Pay for Performance Program Guidelines DRAFT
- 3) Pay for Performance Application DRAFT
- 4) C&I Market Manager 2008-2009 Program Overviews
- 5) Green Power Connection (GPC)
- 6) Interconnection application process map
- 7) Basic DG Interconnection Approval Process – NJ RECO

1. C&I 2008-2009 Program Overview Presentation

- a. Increase in funding in natural gas and electric from \$200K to \$500K
- b. CHP still in 2009 budgets which is to pay previous commitments. Going forward this is now part of Pay for Performance, but noted as probably a separate line item because of energy savings calculations etc.
- c. Trying to make applications easier to get into the programs.
- d. Energy Improvement Savings Program was signed by the Governor today.
- e. 2009 Programs:
 - a. Retrofit
 - b. Schools
 - c. Local Government Energy Audit Program (LGEAP) – Phenomenal response.
 - 1) Verbiage in presentation notes “entities” which are defined as school boards or townships. Stated that entities are submitting ‘lots’ of buildings.

- 2) An average of about 40k square foot for each building and dealing with 5-6 buildings per entity.
 - 3) Mike Winka noted that there should be discussion with universities to define graduates who might be candidates for this.
- d. TEACH - Combination of benchmarking and onsite student education. A lot has to do with timing because of the schools timing of planning their school year.
- 1) Question asked as to when it is going to expand to other entities form Global Learning. Greg Coleman responded that at this time we do not have experience yet so the current thought is to propose changes on improvements and would like to discuss with Mona Mosser tomorrow on timing.
- e. Direct Install – Noted as mimicking other successful programs.
- 1) Coming out in a ‘couple of weeks’.
 - 2) Utilizing local contractors
 - 3) Incentive proposed at 80%. Max amount will depend on the entity itself.
 - 4) Equipment specs on both electric and gas sides. Menu driven on electric side. Gas side menu driven - plus.
 - 5) They are also looking at the manufacturer’s warranty
- f. Pay for Performance (with or w/o CHP) – Trying to get to the market soon. Should be next.
- 1) Mentioned that the Pay for Performance Application draft can be confusing because up to it is branded with NJ SmartStart Building logo. Tom Rooney commented that is was a good point and although specifically that way for branding purposes they will assess.
 - 2) First step is to obtain a Partnership Agreement. They cannot bring in an application without a Partner.
 - 3) February 1st is open enrollment. There will be a Technical Evaluation Panel.
 - 4) Partners will be reviewed by TRC, OCE and AEG and approved and rejected.
 - 5) The partner orientation will be a 1 day orientation. The will learn how to work a project through and they will leave with a good understanding on what they will have to deliver. There will be monthly evaluations after that, to be moved to quarterly at some point.
 - 6) A typical partner can include subs on their application, but should be able to do all the technical up front work and be able to move a project from audit to completion for energy savings. In other words, we do not just want an audit, we also want the savings. In a sense a Partner is like a Project Manager.
 - 7) Incentives – 1. Based on solid engineering practice. Real project, funding in place, plan laid out – approval and first incentive. 2. Project complete and inspection and second incentive and 3. Post build. 3. Re-benchmark and verify savings and third incentive.
 - 8) Pay for Performance brochure was passed around - Question of how and when the message will go out for stakeholder who want to review or questions. Stated in about a week it will be posted on listserv and on the website. Also will go out electronically.

- 9) March 2nd is the goal to publicize the program.
- 10) Measurement and Verification – Whole section in the program guidelines draft.
- 11) 15% is the min. reduction requirement for the facility. The benchmarking is based on the EPA portfolio ratings. Question asked what happens if not reaching the 15% when benchmark. Response is that with a Partner involved, this shouldn't happen. If it were to happen they would lose their 3rd incentive. Overall however, they have time to make the 15% with the way the process is set up
- 12) Point made about renewables and how we tie renewables into this. Noted that the Partner will still go through the renewable program and TRC will coordinate with Honeywell.
- g. New Construction (with Pay for Performance component) - Goals to transform the market and expand companies offering services which create industry jobs. Reach commercial customers which are a significant portion of NJ energy. Draft design being circled internally. No completion date noted.

Other

- ❖ Mary Sheehy (NJHMFA) – asked to speak on multifamily solar heating in a future meeting.
- ❖ Next meeting: Thursday, February 19th 9:30am – 12 pm.