

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
Tuesday, September 20, 2011
Hosted by Honeywell – CSG, Iselin**

Introductions

OPower

Presenters: Steve Hambric (OPower)

Presentation/Handout: Behavioral Energy Efficiency in New Jersey: New Jersey Natural Gas and a sample customer report.

- A.Perracchio (NJNG) introduced the presentation stating that this partnering has been in discussion since June 2009. Approval for the pilot was given last fall and they are now underway with having sent out two (2) mailings to date. For NJNG there about 25k customers for this offering.
- OPower is a home energy management platform that provides customers with their energy use information control and motivation to save energy. Overall it is a customer engagement company that partners with utilities to promote and stimulate behavioral energy efficiency.
- OPower had about 200+ employees and is working with 65 utilities in the US and some international as well. Connecting with 11M households in the US
- Provides customers with personalized content of their energy use. As such they are able to target marketing and have 2 way communications with customers.
- Over 85% of recipients save significant amounts of energy.
 - They have seen a savings of 1-2% for gas customers and 1.5 -3.5% for electric customers. Note: this is across all demographics. Analysis has shown a very consistent arc of savings.
 - It takes 3 to 5 months to ramp up to savings, but the savings continue to remain consistent after that.
- There is the option to place program promotion on the reports (e.g. tips, program marketing). They often see a 60% lift in program participation through this marketing.
 - Steve explained how they have measured equivalent samples of those that have received the report and those that have not. They see anywhere from 25-75% more participation in programs from those that do receive the report. 60% is the norm. As they have only sent out 2 reports for NJNG customers they are unable to measure at this time. They will wait until after the start of the heating season to measure.
 - Mona Mosser (BPU) asked Steve how they perform their analysis to obtain the increased program participation numbers. Steve responded they do a mix of quantitative analysis and survey results. Mona ask if a before and after analysis is performed? Steve advised that they do not perform this type of analysis because it is wrought with issues. It is a better result if they use same type and same size group comparisons at the same time, using very large numbers.
- Overall, based on the size and control of their testing and analysis they are confident in the savings and participation percentages noted.
- Longest program has been 39 months and the savings have been sustained.
- One other benefit they find is that utility company customer service satisfaction is improved by 5% and more importantly that customer service dissatisfaction is down by 5%.
- Gregory Sietz (NJNG) added that this is a 3 year program for 25k NJNG customers. There will be 6 reports per year and it is heating season focused. The goal is to engage and stimulate customers. He commented that they have seen very good results from the 2 mailings they did so far. They have also found that less than 1% of the customers even called to ask for clarifications about it, which was lower than what OPower expected it to be. NJNG trained their CSR's on what to expect and how to handle calls. The respondents calling were primarily the high usage customers who seemingly felt they were being picked on or singled out in this report, not understanding the detail or the goal of the report. They often thought they were being compared to households that were different (e.g., they have 4 kids and were being compared to a 2 person

household). There is a profile available on the NJNG website that customers can change if they have situations that are different from normal comparison groups. In addition, NJNG also received calls from customers thanking them for showing them their use in this fashion. So far there was less than 1% opting out.

- Someone on the phone asked about the longevity of the results and asked if those people on the chart in the presentation for NJNG were still getting reports (vs. do they stop getting them)? Steve Hambric advised they still are getting reports. He added that utility partners get to decide on how they want to send this out to their customers such as is it on a continuing basis and how much.
- M.Ambrosio (AEG) asked D.Holland (Honeywell) on how this type of partnership would have gone forward before it got cut due to the NJCEP budget. Dave responded that it was under a million. The utility would have handled the set up and provide data and the NJCEP program would have handled ongoing costs and word-smith the recommendations to participation in the NJCEP programs.
 - M.Ambrosio said he would like to see the results of the NJNG pilot with regards to program participation.
- The report is typically mailed a week to 10 days after the utility bill.
 - M.Winka asked the utilities in general 'why does this not become standard in with the bill' for them. A.Perracchio responded that their billing system is not set up to do this comparison. M.Winka clarified the question as to why is this a feature of energy efficiency programs rather than not a normal service that the utilities could provide as an overall customer satisfaction tool. A.Perracchio responded that the customer service/satisfaction is not why they provide this service and this first came about as an energy reduction program and this is what OPower sells this service as. M.Winka also asked why this is not a CIP program for the utilities? A.Perracchio responded that they can do a portion of it, but it would be too expensive and not cover all the customers, noting it is costly. B.Grossman (SJG) also added that this has higher costs and can be around \$11 per customer (depending on the paper) and would far exceed the CIP budget.
- M.Ambrosio asked if the letters that go to the customers always look like they are from utility (per the sample handed out in the presentation). Steve Hambric responded that yes, this is the standard format. The only place OPower is noted is in the bottom right hand side of the back page in extremely small print. He added, that it is the utilities are involved in the selecting and word-smithing the action items that are included on the report.

Sustainable Jersey

Presenters: Randy Solomon (Sustainable Jersey)

- Sustainable Jersey will be asking for a continuation of funding for 2012. More for program delivery rather than organization support.
- They are still working with NJCEP staff on the review of the report of what they have done to date and scope for 2012.
- There will be more emphasis on coordination with NJCEP.
- They are working to develop a new program for school systems as the municipal qualifications/actions can be easily transferable to schools. They believe this has the potential to triple what they are currently doing with municipalities alone.
- From the 2011 contract they have had 9 energy specific workshops reaching close to 600 people and have rewritten most of the sustainable actions to have people qualify for the program.
- They have a series of workshops on schools and ESIP's and ENERGY STAR® portfolio manager in the last quarter of the year.
- Passed the 350 marker for municipal sign ups. 75 are certified and 4 are silver certified.
- They are continuing to ramp up the standards for joining, requiring applicants to do more and more.
- Someone in the audience asked what they meant by their new focus on schools. Randy answered that they want to do the same with the schools as they do with the municipalities – a full certification.

Program Coordinator and Regulatory Updates

Presenters: Mike Winka (BPU) and Mike Ambrosio (AEG).

Presentation: 1) 2011 7&5 Report and 2) 2012 Budgets Presentation for 9.20.11

1. Board Agenda – Scheduled for tomorrow (M.Winka)
 - Protocols, upgrading protocols and adding in the new programs and the ability to calculate energy efficiency will be discussed. Codes and standards have changed and result in affecting the calculation of savings. The result is that it will be less per dollar for energy efficiency. Overall, it is more expensive today than yesterday because of the code changes.
 - Revised budget – Version 5:
 - Moving dollars around between programs. Examples noted:
 - Moving money to Direct Install to cover ARRA muni activity.
 - Shifts dollars to HVAC from Home Performance with ENERGY STAR® (HPwES) as proposed.
 - Comfort Partners budget will be tweaked.
 - At the last committee meeting it was discussed that there was a proposal to extending the HPwES summer promo and recommendation to the Board to extend it through the fall to winter.
 - The new SEP plan new for this year that was submitted extends the NJCEP funds to non-natural gas/electric (i.e. those funded through ARRA) as the ARRA funds were exhausted and programs ended.
 - There has been an initiation of the 2013- 2016 funding level proceeding. There will be a hearing officer assigned tomorrow at the Board meeting.
 - Multifamily financing will also be discussed.
2. Transition - Waiting for the Funding Level Work Group to come out with their report. A.Perracchio said it was due to the Board at end of the month. Then there will be public meetings to talk about each of the Work Groups proposals.
3. M.Ambrosio – For next month they are working on a proposal for a Multifamily Financing Pilot. Comments were due at the end of last week. Not sure if they will make the 13th or not.
 - The reference to multifamily triggered a question about what to do with the additional \$20M. The response was that Staff has been working on the RFP for the renewables grid solicitation. The idea is to use the \$20M for SHP or fuel cells solicitation for projects greater than \$1M. This may be tied into the Grid solicitation. If this goes forward, they need to modify the existing TRC program on CHP which provided rebates up to 1MW.
4. M.Ambrosio – Reviewed budget numbers on the 2 presentations. The budget will be discussed at tomorrow's Board meeting. After today's meeting Staff will sit down with the Market Managers and work out final budget numbers. They will also submit a draft compliance filing. Then the Board schedules hearings in late October/early November. Then they will be out for comment. Then Staff presents a final compliance filing in December for consideration and the Market Managers submit their final program filings.
 - a. There was a question from the room wanting to know what PSE&G was doing while waiting for the RFP's. E.Bryant (PSE&G) responded that it will be at the end of Sept. and then followed by comments and hearings and then final plans for late Nov. for consideration by the Board in Dec..
5. Program changes in the compliance filing will reflect:
 - Clean Energy Manufacturing. They are proposing a REMI type component program as REMI itself is going away.
 - Edition Innovation Green Growth Fund – Will continue into 2012 and there is a proposal for an increase to the ceiling to \$2M in 2012. Current range of interest rate is 2-10%. Proposing 2% flat rate.
 - Energy Efficiency Revolving Loan Program – The program nets out the incentives already provided by the Pay for Performance Program (P4P). M.Mosser asked for a clarification on the Revolving Loan Program stating that if she understands it correctly they will loan the full cost of the project. The explanation was that they want to provide incentives that compliment the program and not over incentivized. The need to take into account what the incentives would be in the P4P program. The goal is to cover up to the amount

not covered by the P4P incentives. M.Winka commented that there needs to be clearer definition/explanation on this in the compliance filing. The Revolving Loan Program has a ceiling of \$2.5M and the interest rate is 2%, 3% and 4% based on the term.

Commercial/Industrial Programs

Presenters: Roger Kliemish (TRC) and Brian DeLuca (TRC)

Presentation/Handout – C&I Market Manager EE Committee Meeting Presentation, Sept 20, 2011.

1. 2012 proposed budget and programs and 2011 program results to date –see presentation.
 - a. Direct install 2012: M.Mosser wanted to bring up the proposal to the DOE that included some funding for Non-IOU electric customers such as oil and propane customers for some of the programs, Direct Install being one of them. She noted that there may be a possible modification for them and that the DOE came back with some questions as apparently there is a cap that needs to be addressed.
 - b. Program Discussion Points: RCx – Retro Commissioning Details – M.Nole (American Efficient Lighting) commented that she believes there should be additions to the lighting incentives. She commented on special situations where they find that there is a more appropriate choice than what is available. B.DeLuca responded that they will certainly take that into consideration. He added that the program does try to have as much flexibility as possible, but is primarily intended to cover most scenarios and they may not be able to cover all projects.
 - A question arose on how they see the roll out to the Direct Install contractors. R.Kliemish responded that those contractors will still do the walk through assessment, inventory and project scope. The project will be assigned to a contractor. Before they do the install there is a walk through. M.Winka added that for the on the Local Government Energy Audit (LGEA) it does not change the overall process. It's only changing the procurement process.
 - A question arose if TRC will employ people for the assessment? It was clarified that for Direct Install it will be TRC employees, but for LGEA it will be subbed out.
 - Large Energy Users Pilot Program – Reminder to get in enrollments in as the enrollment period ends on Sept 26th.

Residential Programs

Presenters: Dave Wolk (Honeywell).

Presentation/Handout: 1) New Jersey's Clean Energy Program: DRAFT 2012 Residential Efficiency Plan & 2) Residential Programs Progress towards Goals Statewide Results YTD August 2011 and 3) Home Performance with ENERGY STAR® August 2011.

1. 2012 proposed budget and plans and 2011 program results – see presentations.
 - Question arose on what the rebate amount would be for the Power Vented Heat Pump Water Heater and the response was that is had not yet been determined as there needs to be recommendations from the Board. However, it is likely to be somewhere around \$100 for the power vented, \$200 on the heat pump, and \$500 on the drain water recovery and around \$300 for boiler controls.
 - M.Mosser requested clarification on what options were looked at when assessing HPwES financing. D.Wolk responded that the options they have seen in the bank world are not yet suitable as they do not offer unsecured loans yet. Another option under consideration is something like the commercial revolving loan program and they would like to see the result of the commercial program. He added that they realize that there are some built in constraints for residential projects vs. commercial such as they are smaller projects with bigger administrative burdens. One other possible viable option is the possibility of the utilities coming in and providing on bill financing. The Market Manger believes this is the most ideal solution yet realizes they have control over that decision. D.Wolk added that some contractors, like Brian Bovio also think the on bill financing is more beneficial for contractors being able to sell projects.
 - R.Solomon from Sustainable Jersey commented on one of the major stumbling blocks for customers in participating is the feeling of security and having to research or make a decision on a contractor as well. A.Perracchio responded that NJNG actually has a decision tree in their process and it is helping. Additionally, one of the things they want to offer in 2012 will allow them to offer an independent auditor for

the process vs. the contractor that does the work. They believe this will help with the common concern that if it is the contractor doing the work, they are more likely to include items on the assessment that will gain them business vs. what actually needs to be done.

- A contractor in the room commented that 80% of the contractors he speaks with are not aware of the HPwES program. He added that his contacts in the advertising world tell him that our budget number towards advertising simply does not work and he asked if there is more money to put towards advertising the program. D.Wolk did agree that advertising is key, but added that adding funding towards the marketing may not be an option.
- R.Solomon added a comment that programs that allow employer based financing which allows paycheck deductions for energy efficiency upgrades helps with the concern of program security, but also allows the program another way to market the programs. The key is offering it to the customer through entities they trust such as their employer. They find that offering programs through a large umbrella of campaigns are not as effective as smaller communications coming from people they trust. D.Wolk added that another driver in consumer decision making is the 'what is my neighbor doing'.
- M.Nole stated that it just dawned on her that there are commercials she has seen may not be explicit enough. Maybe we need to offer more specific information.
- A.Perracchio asked about the extension to the summer promo for HPwES. The response was that it is on the Board Agenda for tomorrow and if approved, it will through the end of year. For 2012 though, they want to do straight incentives to make it less confusing and not have the need for promos such as this.
- HPwES changes to straight incentives for 2012 and should be thought of 'as right sizing' the incentives.
- A.Perracchio asked if there was still an online store available and there is on the NJCEP website.
- Electronics – Comcast called Mona to say they would not be participating.

Other Business, Next Meeting

- Next Meeting – October 11th.
- November 15th meeting changed to Monday the 14th due to conflict with the League of Municipalities.
- Shooting for a public hearing date between October and November meetings.

Today's Attendees:

Name	Company	Please Initial	
		In Person	By Phone
Ambrosio, Mike	AEG	X	
Bovio, Brian	Bovio Heating	X	
Carpenter, Joseph	NJ DEP		X
Chaplin, Dawn	Honeywell	X	
Courtney, Jim	AEG	X	
DelPino, Kristin	CSG		X
DeLuca, Brian	TRC	X	
Dempsey, Peter	South Jersey Energy Service Plus	X	
Dolan, Brian	Intellidyne	X	
Donohue, John	On behalf of Fuel Merchants Assoc		X
Ellman, Susan	NJNG	X	
England, Cheryl	Elizabethtown	X	
Foster, Rebecca	VEIC	X	
Gennello, Joe	Honeywell	X	
Graham, Marianne	ICF working in support of EPA ENERGY STAR ®		X
Grossman, Bruce	SJG	X	

Hambric, Steve	OPower	x	
Hillsinger, Will	TRC		x
Hoff, Kim	CSG	x	
Holland, Dave	Honeywell	x	
Holmes, Bill	SJG	x	
Hunter, Scott	BPU	x	
Hutchinson, Fred	Hutchinson		X
Kliemish, Roger	TRC	x	
Kuhn, Nikki	VEIC		x
Lehrer, Ariana	Next Step Living		x
Lupse, Janja	CSG	x	
Magrann, Mark	MaGrann Assoc.	x	
Makowiecki, Colleen	FirstEnergy Corp.		x
Martinelli, Emil	SJESP / Bradley's MDI	x	
Mosser, Mona	BPU	x	
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel		x
Neubauer, Franklin	Core Metrics	x	
Nole, Meredith	American Efficient Lighting	x	
O'Brien, Nancy	EFS		x
O'Donnell, Tony	Sustainable Jersey	x	
Pecora, Tom	Honeywell	x	
Perracchio, Anne-Marie	NJNG	x	
Pierce, Barbara	NJEDA	x	
Pugliese, Tony	ETG	x	
Puma, John	Kamson Corp	x	
Reilly, Frank	TRC		x
Roberts, Terri	PSE&G		x
Rushing, Nathan	EMC Development Company	x	
Sensli, Robert	South Jersey Energy Service Plus	x	
Sietz, Gregory	NJNG	x	
Solomon, Randy	Sustainable Jersey	x	
Swift, Don	CSG	x	
Teng, Elizabeth	BPU	x	
Tobian, Carol	National Resource Management, Inc.		x
Trivedi, Paresh	BPU		x
Wetzel, Linda	AEG		x
Winka, Mike	BPU	x	
Wolfe, Sharon	BPU	x	
Wolk, Dave	Honeywell	x	
Wong, Doug	BC Express Inc	x	
Zegberski, Sandy	NJ EDA	x	
Zoppa, Bob	CSG		x