
Energy Efficiency Committee Meeting

April 18, 2018

9:30 am – 12 pm

AGENDA



1. Introductions
2. Regulatory Updates (*Sherri Jones*)
3. FY18 Budget Changes & Progress Towards Goals (*TRC Team*)
4. FY19 Program Planning (*TRC Team*)
5. Utility Updates
6. Other Business



1. Introductions



2. Regulatory Updates (Sherri Jones)

3. FY18 Budget Changes

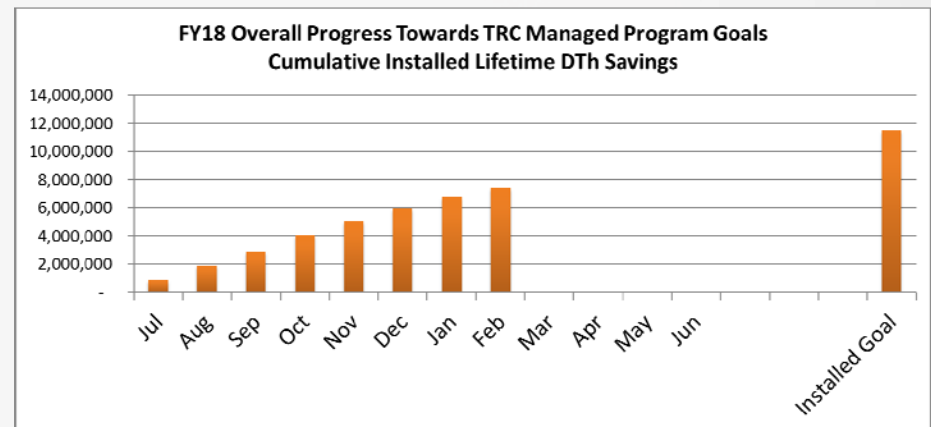
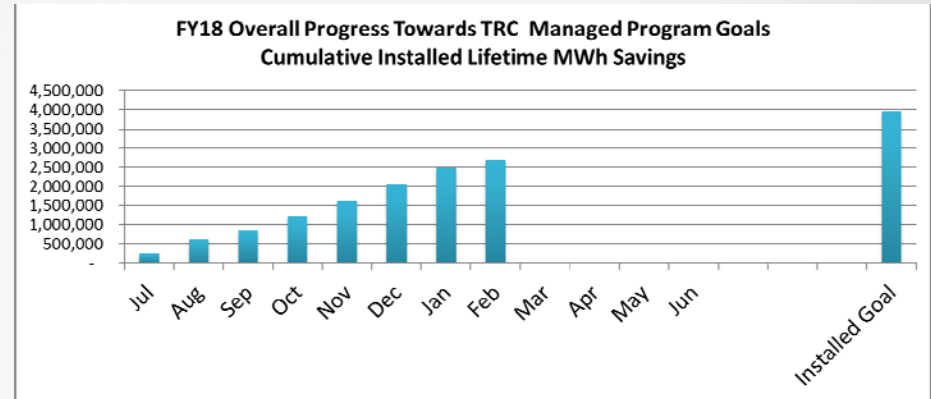
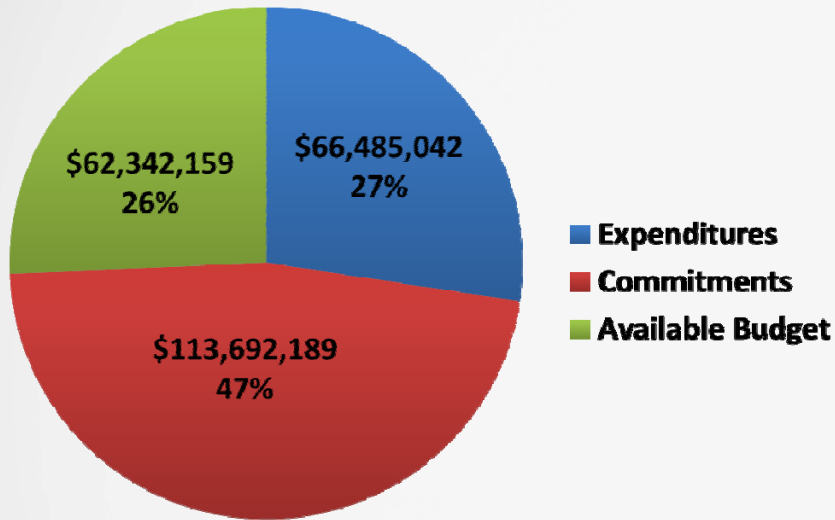
4. FY18 Progress Towards Goals Report

Through February 2018

OVERALL PROGRESS TOWARDS TRC MANAGED PROGRAM GOALS



FY18 Incentive Budget: \$242,519,390

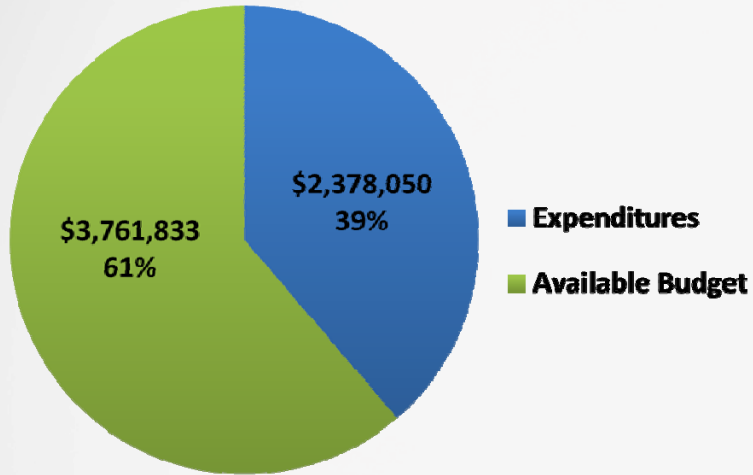


Note: The MWh goal was developed assuming the retail lighting program would restart in mid-FY18, however, it remains closed and the MWh savings will be below goal as a result.

RESIDENTIAL HVAC

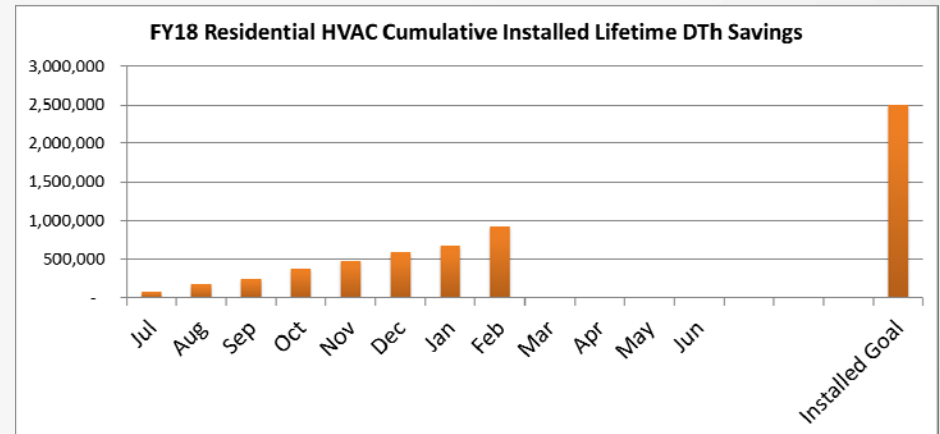
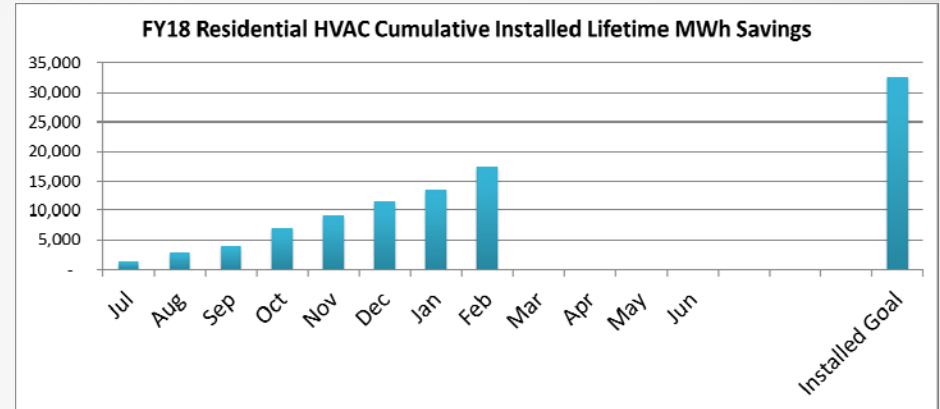


FY18 Incentive Budget: \$6,139,883



Program Highlights

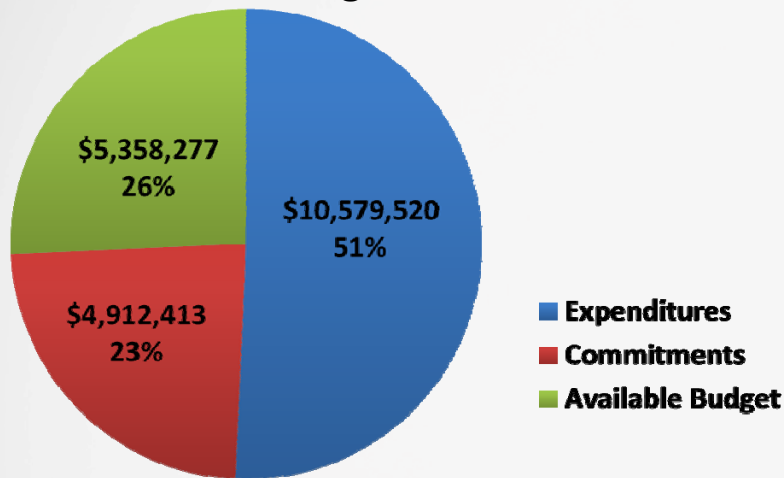
- Conducted 6 Technical Trainings
- 58 new HVAC contractors submitted 116 applications in February as a result of contact with the enhanced outreach team
- Experiencing a backlog in processing times
- State Energy Program (SEP) funding remaining as of 02/28/18: \$129,545



HOME PERFORMANCE WITH ENERGY STAR®

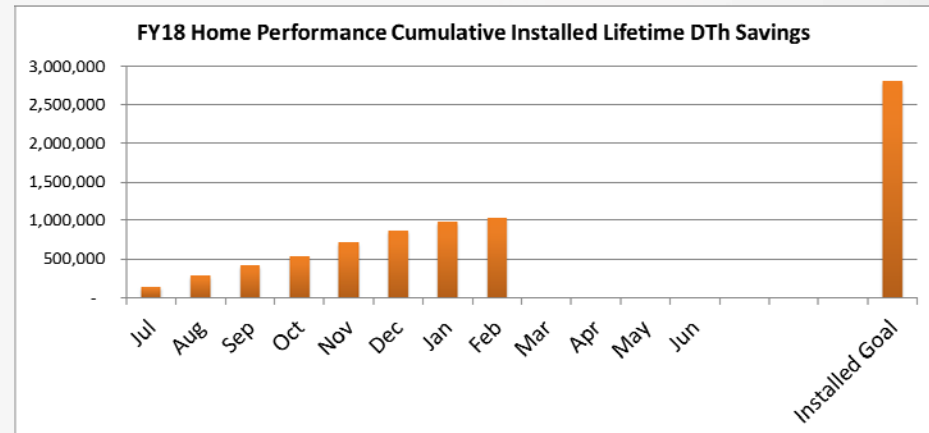
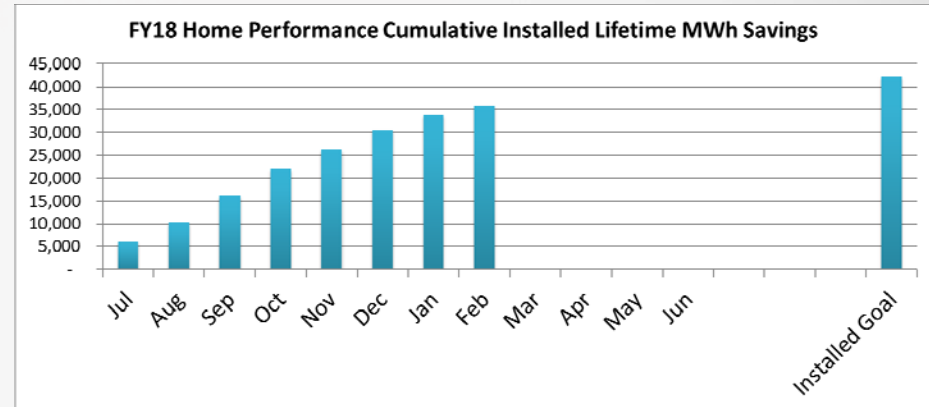


FY18 Incentive Budget: \$20,850,210



Program Highlights

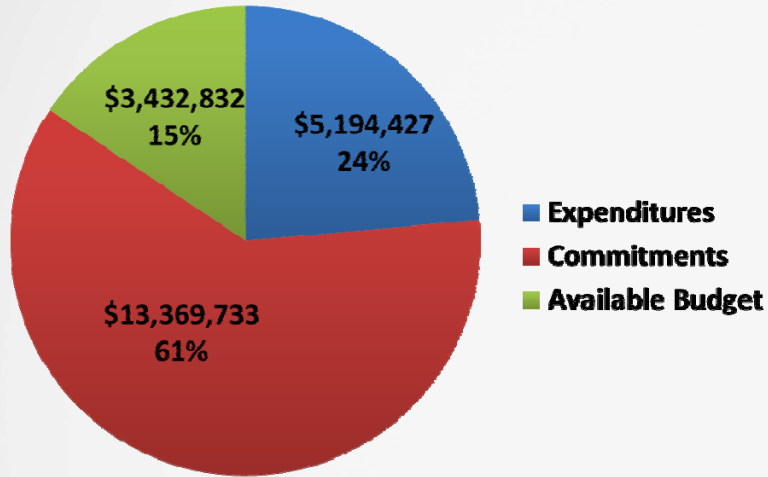
- Launched Direct Install and Building Envelope Pilots, 39 HP firms participated in the kick-off meeting
- 4 firms attended New Contractor Orientation
- 13 firms attended various training courses: Program Overview, Proactive Sales Transactions, Business of Home Performance and the first Building Envelope class
- \$189,374 of co-op advertising incentives have been submitted for consideration this fiscal year
- State Energy Program (SEP) funding remaining as of 02/28/18: \$122,976



RESIDENTIAL NEW CONSTRUCTION

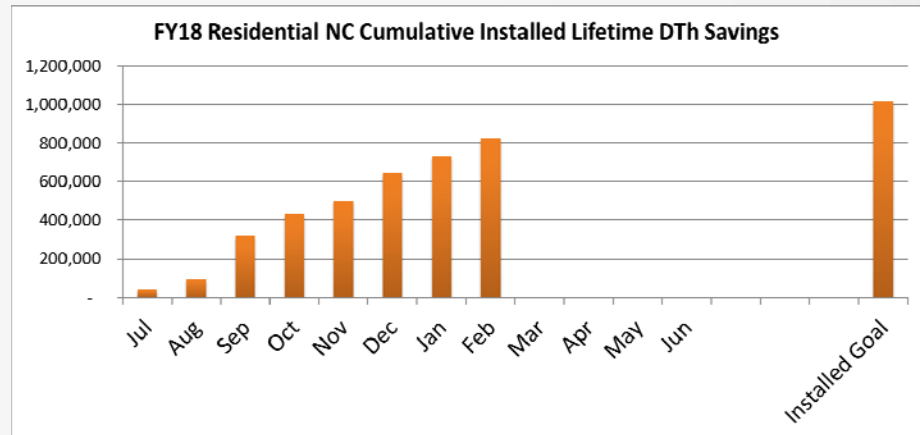
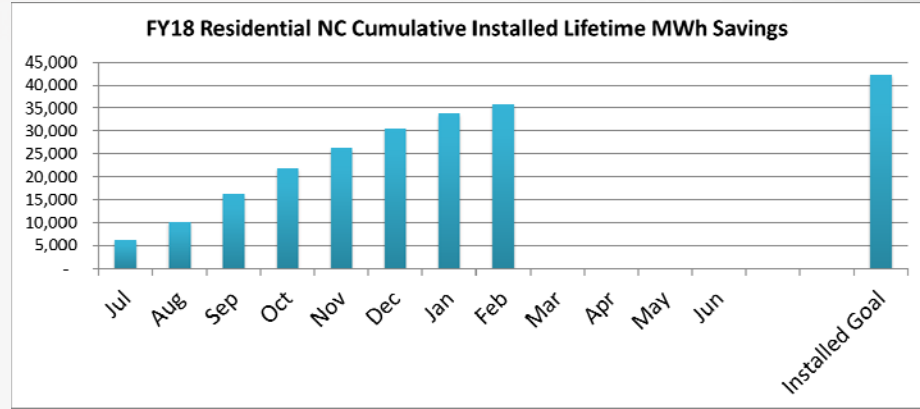


FY18 Incentive Budget: \$21,996,991



Program Highlights

- Completed one Zero Energy Ready Home (single family project)

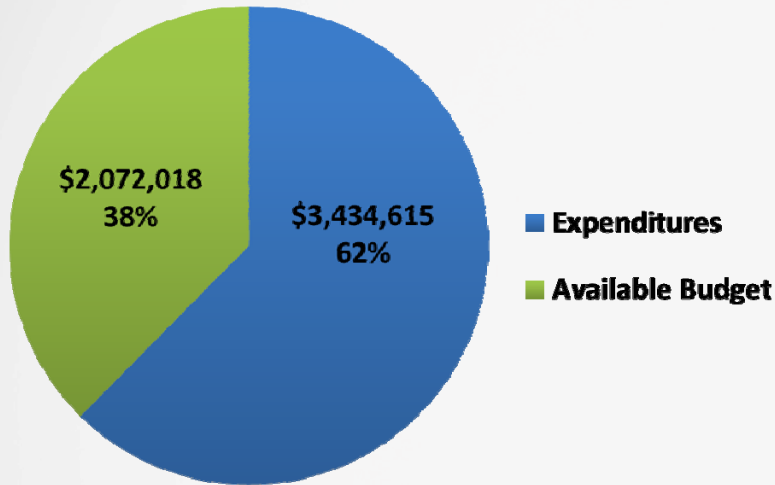


ENERGY EFFICIENT PRODUCTS

(INCLUDES: APPLIANCE REBATES AND RECYCLING, RETAIL LIGHTING)

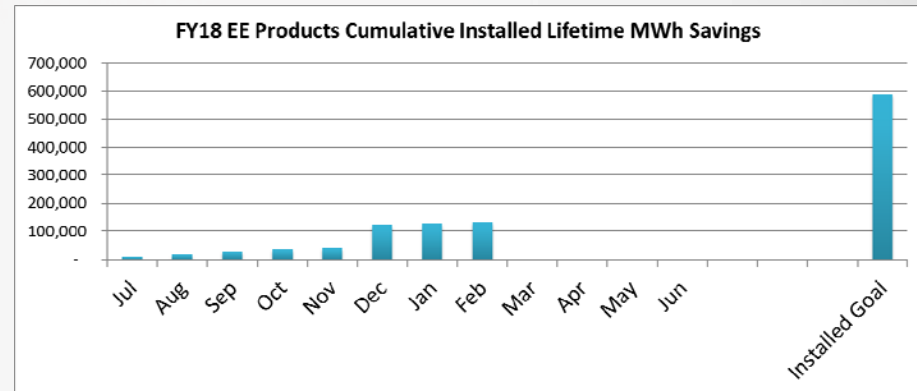


FY18 Incentive Budget: \$5,506,632

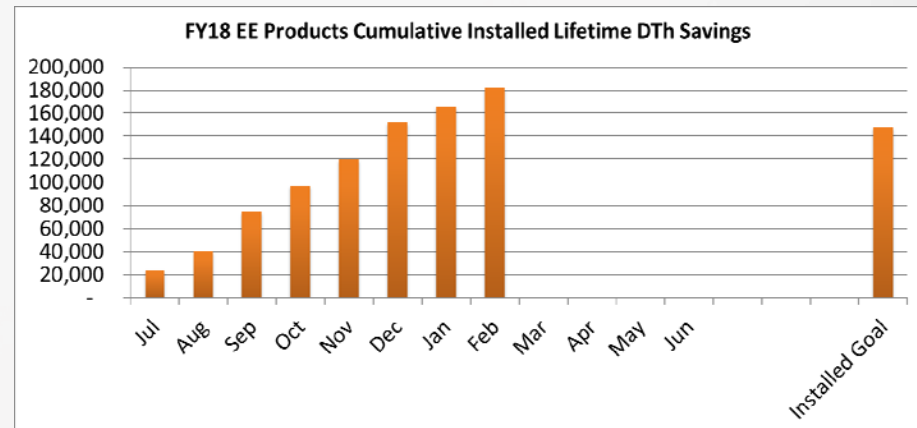


Program Highlights

- Retail lighting remains closed



Note: The MWh goal was developed assuming the retail lighting program would restart in mid-FY18, however, it remains closed and the MWh savings will be below goal as a result. The savings that are depicted to date are associated with the appliance recycling/rebate components of the program, as well as a portion from FY17 lighting invoices paid in FY18.

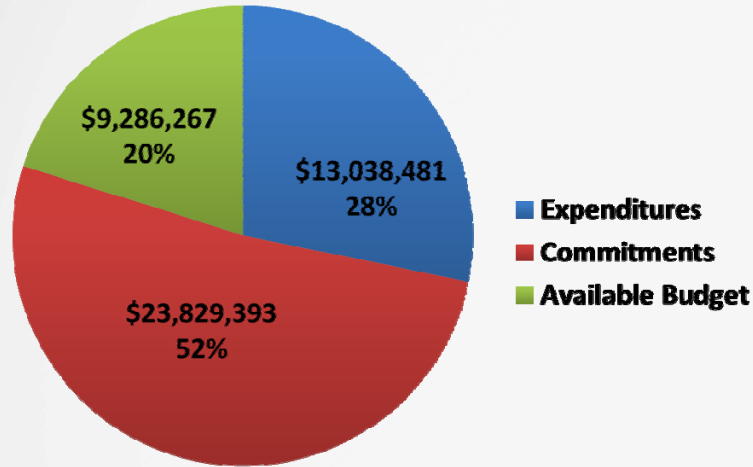


C&I RETROFIT

(SMARTSTART BUILDINGS)

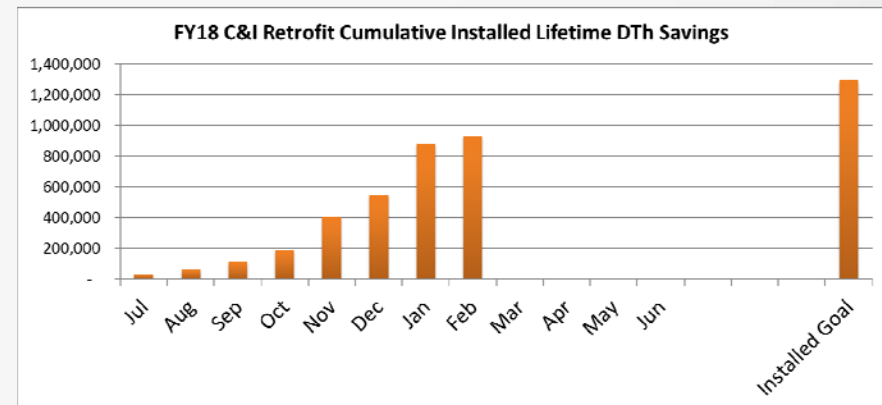
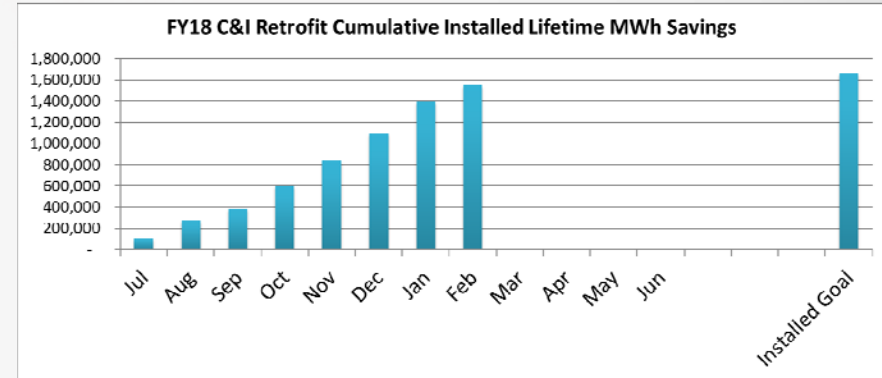


FY18 Incentive Budget: \$46,154,141



Program Highlights

- 222 project completions representing \$1.3M in incentive payments
- 306 applications approved for total potential incentives of \$1.58M
- 8 Customer Tailored Energy Efficiency Pilot (CTEEP) enrollments received since launch

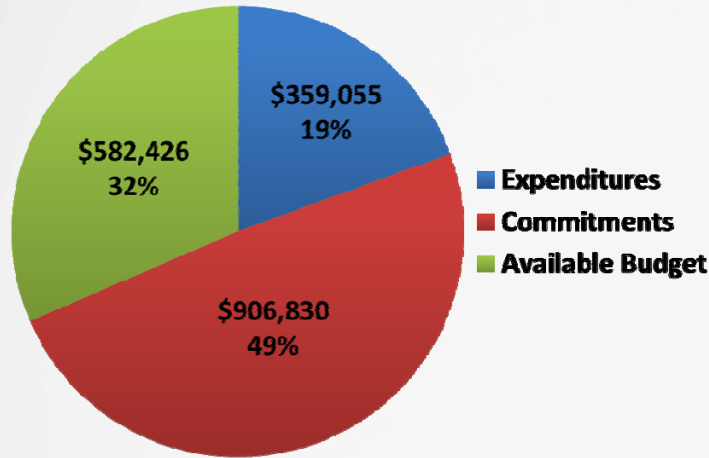


C&I NEW CONSTRUCTION

(SMARTSTART BUILDINGS)

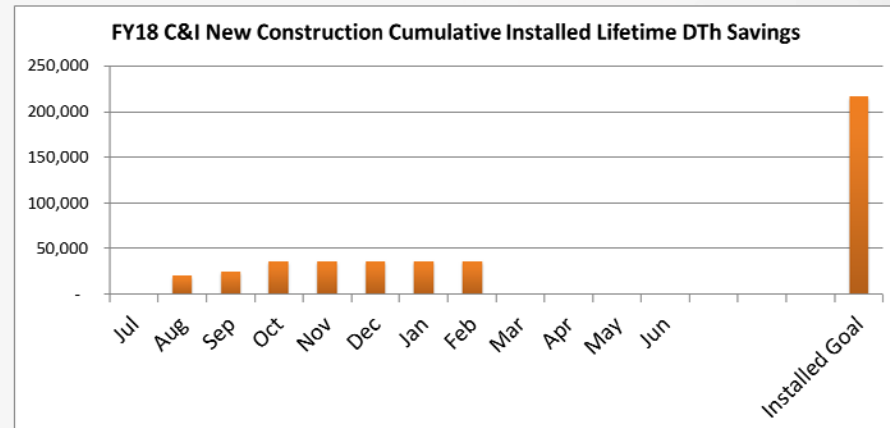
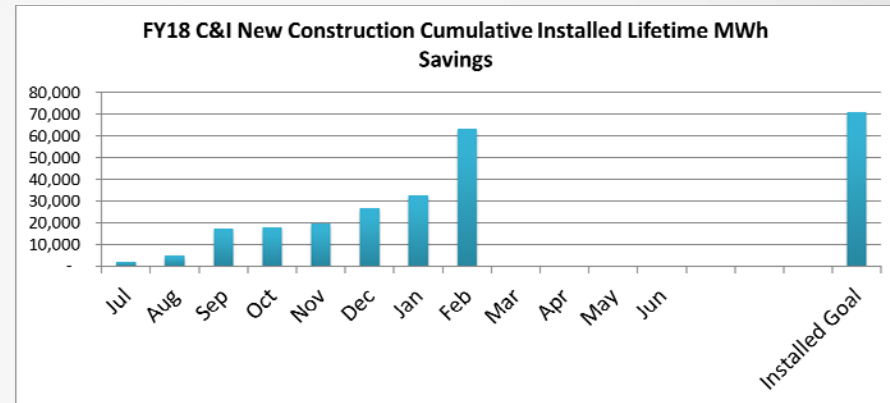


FY18 Incentive Budget: \$1,848,311



Program Highlights

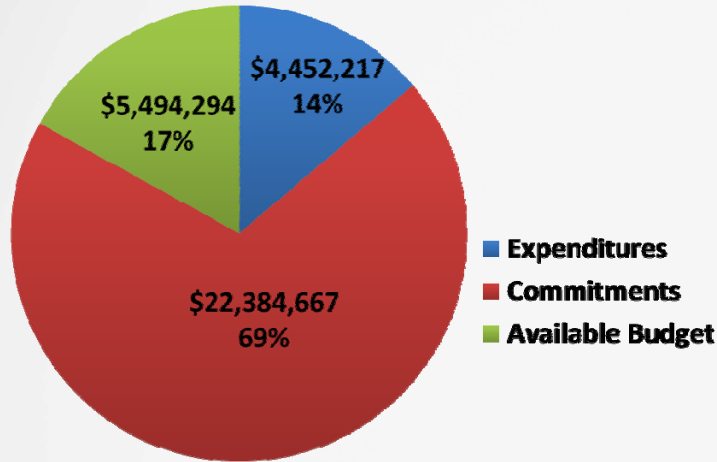
- Completion of a large, electric chiller project (two 985 ton water-cooled units) contributed to the jump in MWh savings this month



PAY FOR PERFORMANCE – EXISTING BUILDINGS

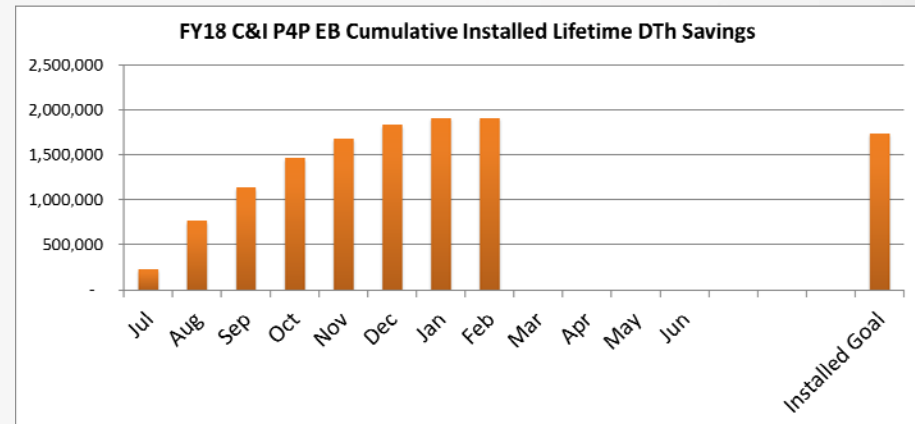
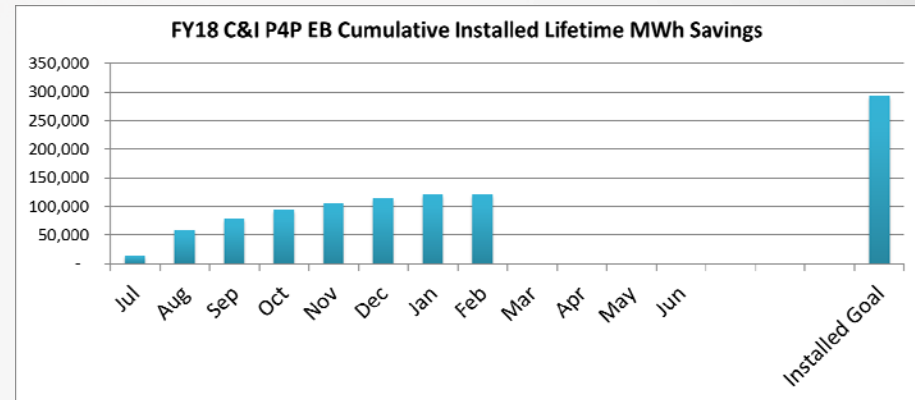


FY18 Incentive Budget: \$32,331,179



Program Highlights

- Approved 4 new applications and 3 installations
- Reviewed 2 savings verification submissions

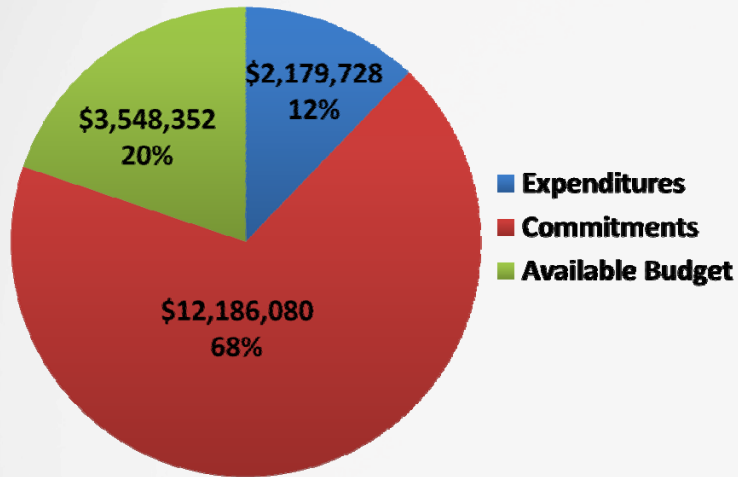


Note: The higher than anticipated thermal savings are due to projects being completed with high gas savings.

PAY FOR PERFORMANCE - NEW CONSTRUCTION

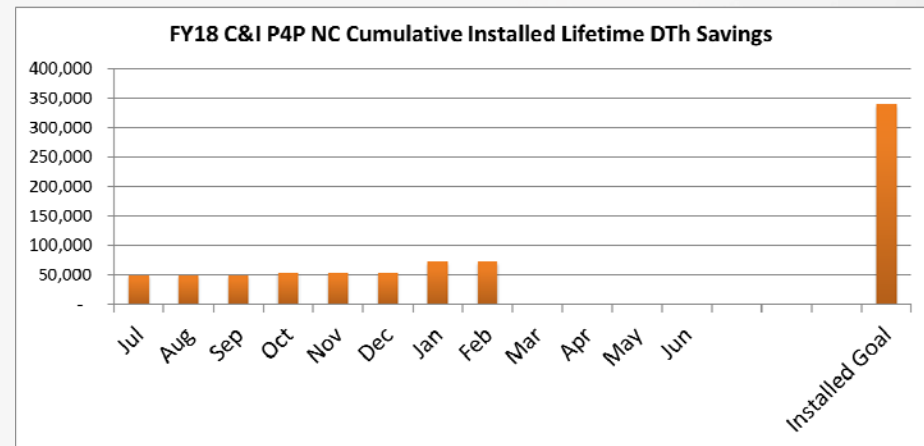
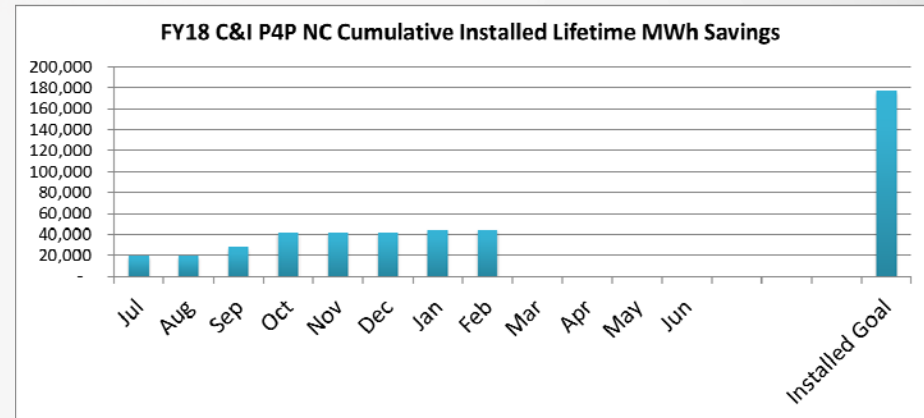


FY18 Incentive Budget: \$17,914,160



Program Highlights

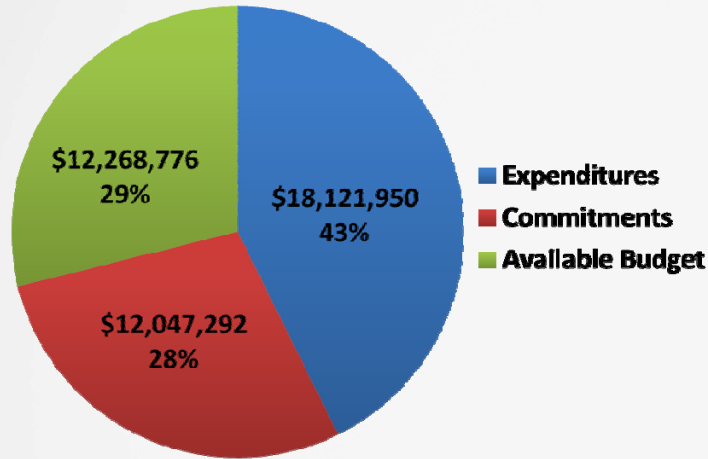
- Approved 1 new Proposed Energy Reduction Plan
- One project submitted documents indicating that construction was completed



DIRECT INSTALL

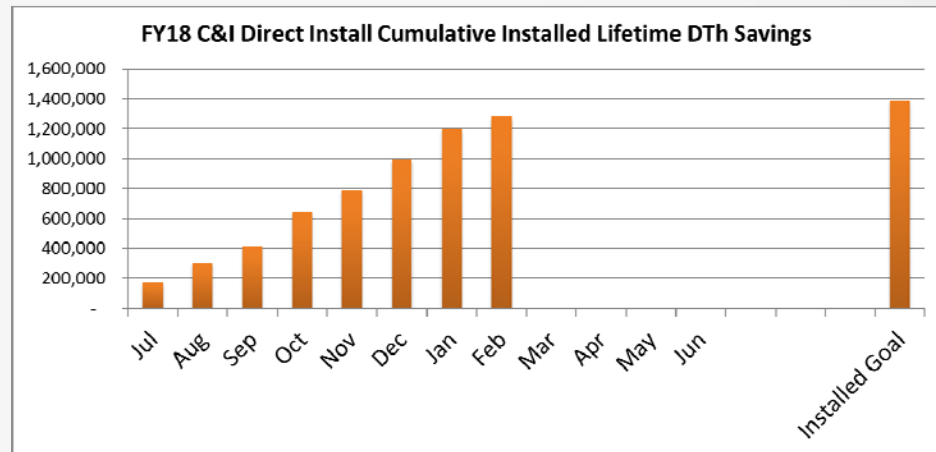
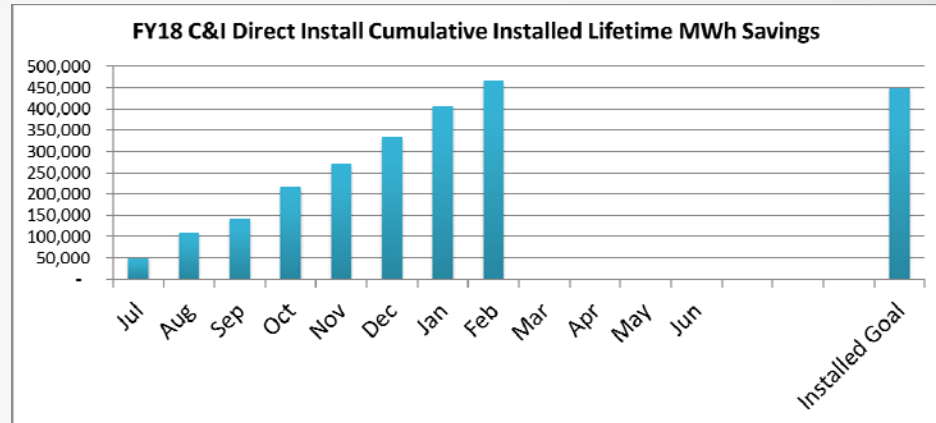


FY18 Incentive Budget: \$42,438,017



Program Highlights

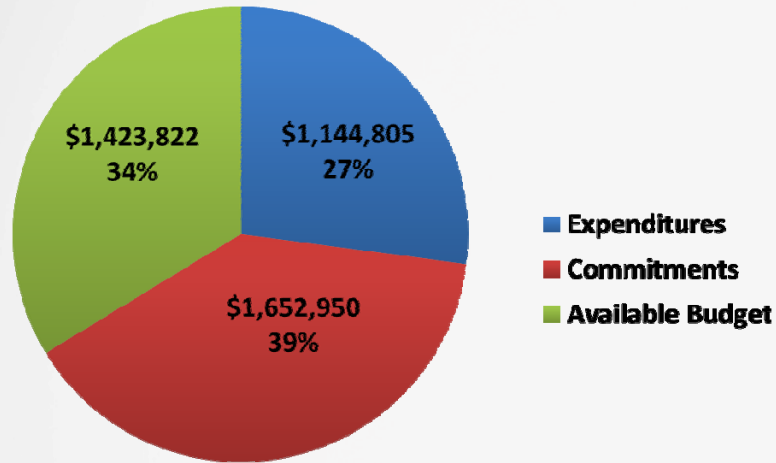
- Approved 58 project submittals for a total commitment of \$2,382,849 in incentives
- State Energy Program (SEP) funding is fully committed



LOCAL GOVERNMENT ENERGY AUDIT



FY18 Incentive Budget: \$4,221,577



Note: The LGEA shows no installed savings as there are no associated savings with an energy audit.

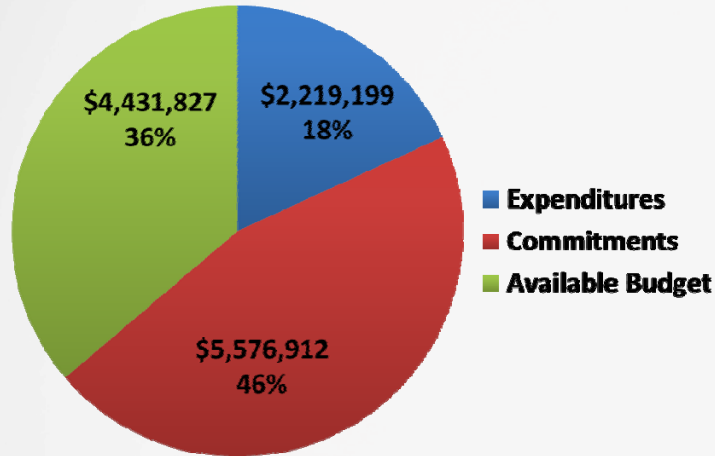
Program Highlights

- 26 audit reports delivered for the following entity types:
 - 1 – State University
 - 6 – School Districts
 - 2 – Municipalities

LARGE ENERGY USERS PROGRAM

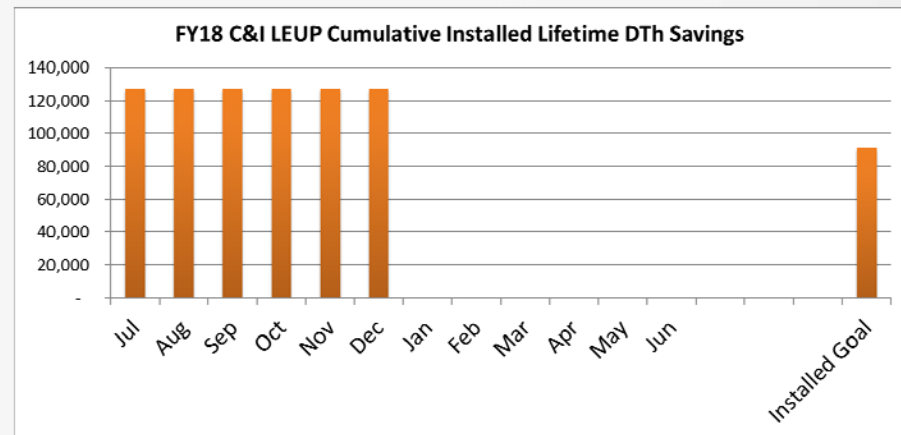
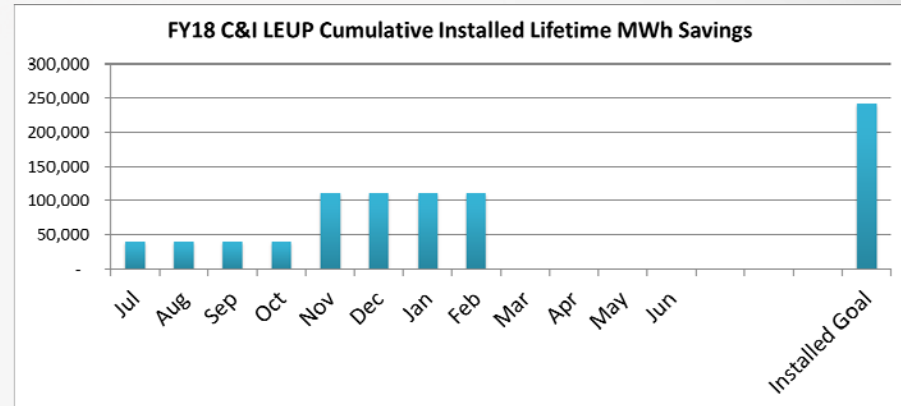


FY18 Incentive Budget: \$12,227,938



Program Highlights

- One Final Energy Efficiency Plan (FEED) approval for a campus-wide compressed air system upgrade project with an incentive of \$820K

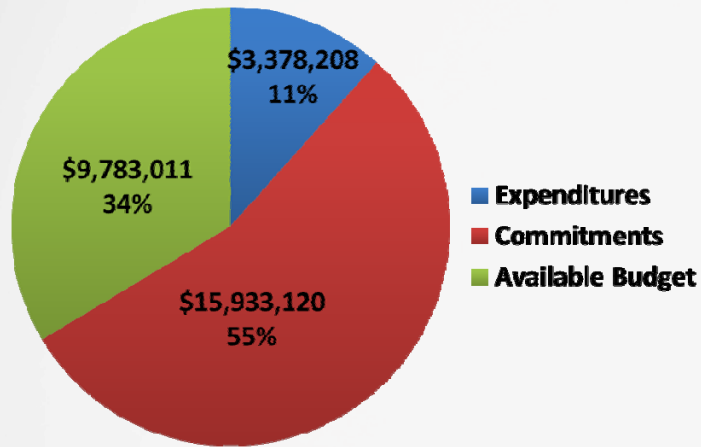


Note: The gas savings for this program are exceeding the goal. With a small volume program like LEUP, with a high volatility of savings, it is challenging to estimate the savings when the goals are being set.

COMBINED HEAT & POWER

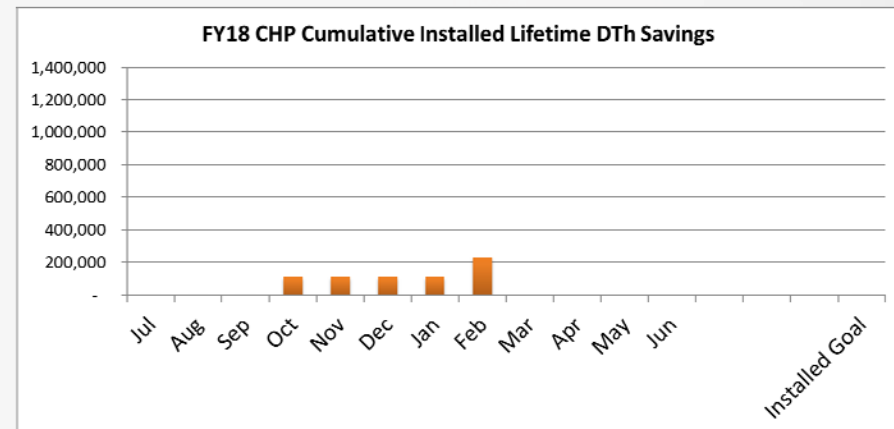
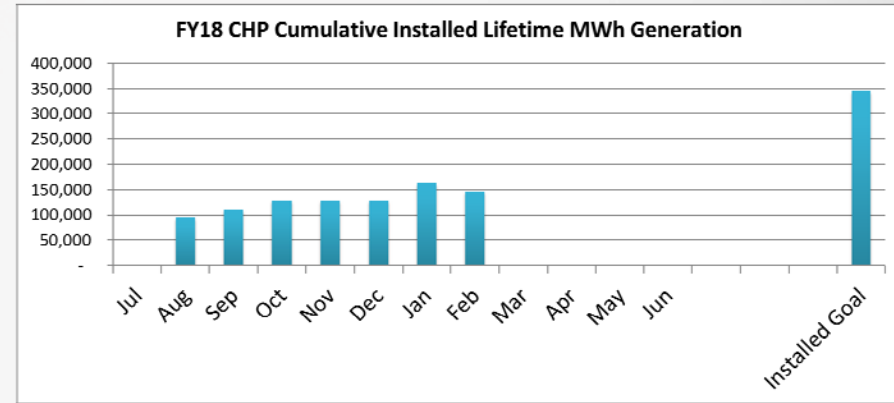


FY18 Incentive Budget: \$29,094,339



Program Highlights

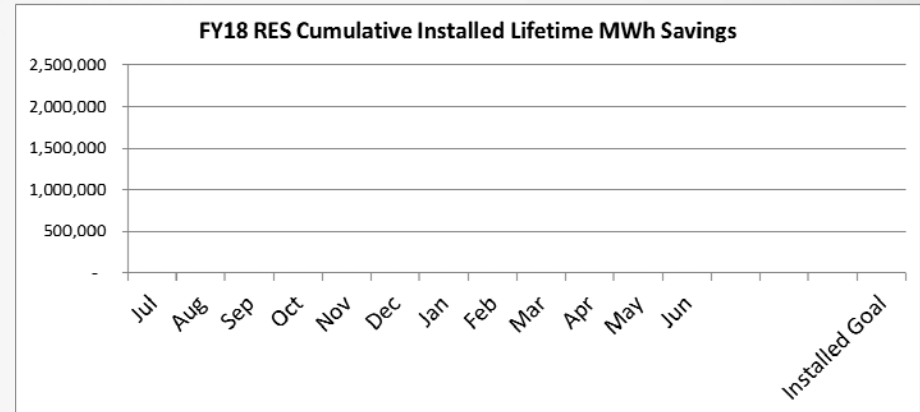
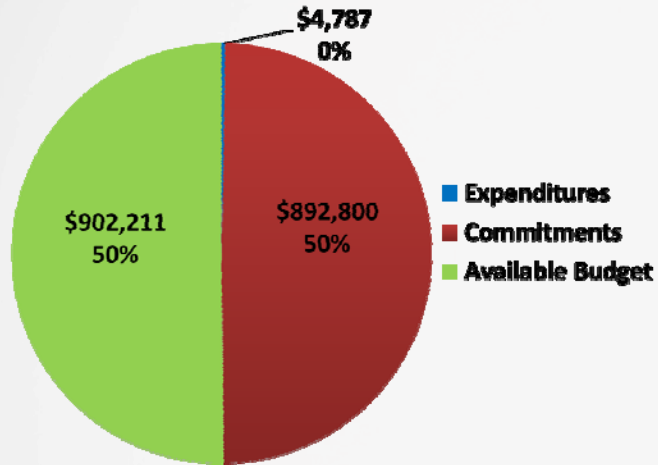
- 4 projects in the technical review queue, totaling approximately \$2.4M in incentives and 2.2 MW of capacity



RENEWABLE ELECTRIC STORAGE



FY18 Incentive Budget: \$1,799,798



Note: There are no installed savings as none of the approved projects were completed

Program Highlights

- The program is not accepting new applications in FY18
- Two projects from FY17 approved

COMFORT PARTNERS



- Data for the Comfort Partners program will be reported quarterly, starting with the March 2018 report.



Comments or Questions?

4. FY19 Program Planning

- ***Lower Energy Bills: Reduce the cost of energy and lower energy bills by maximizing lifetime energy savings per dollar spent (kWh and therms).***
 - Maximizing peak demand (kW) savings.
 - Providing equitable access to efficiency and renewable energy programs.
 - Promoting the development and transformation of energy efficiency and renewable energy markets.
 - Reducing long-term environmental impacts of energy use.
 - Minimizing lost opportunities.

Themes of Program Redesign



- Focus on sustained customer engagement
 - Throughout lifecycle of project(s)
 - Build and maintain relationships for future projects
- Program flexibility to meet customers' needs
- Promote bundling of measures to increase savings and cost-effectiveness, but avoid onerous participation requirements
- Use pilots to regularly test and demonstrate specific technologies and/or target specific sectors

Themes of Program Redesign



- Increased Outreach
- Restart Marketing
- Increase program training for contractors to allow them to better use programs and serve customers

Highlighting FY 19 Proposed Changes



C& I Programs

- Direct Install
- LGEA
- C& I Buildings:
 - System's Evaluation
 - Large Energy Users Path
 - M&V
- CHP/RES

Residential Programs

- Investigate pathway for moderate income customers
- Website content
- Online Marketplace for Products

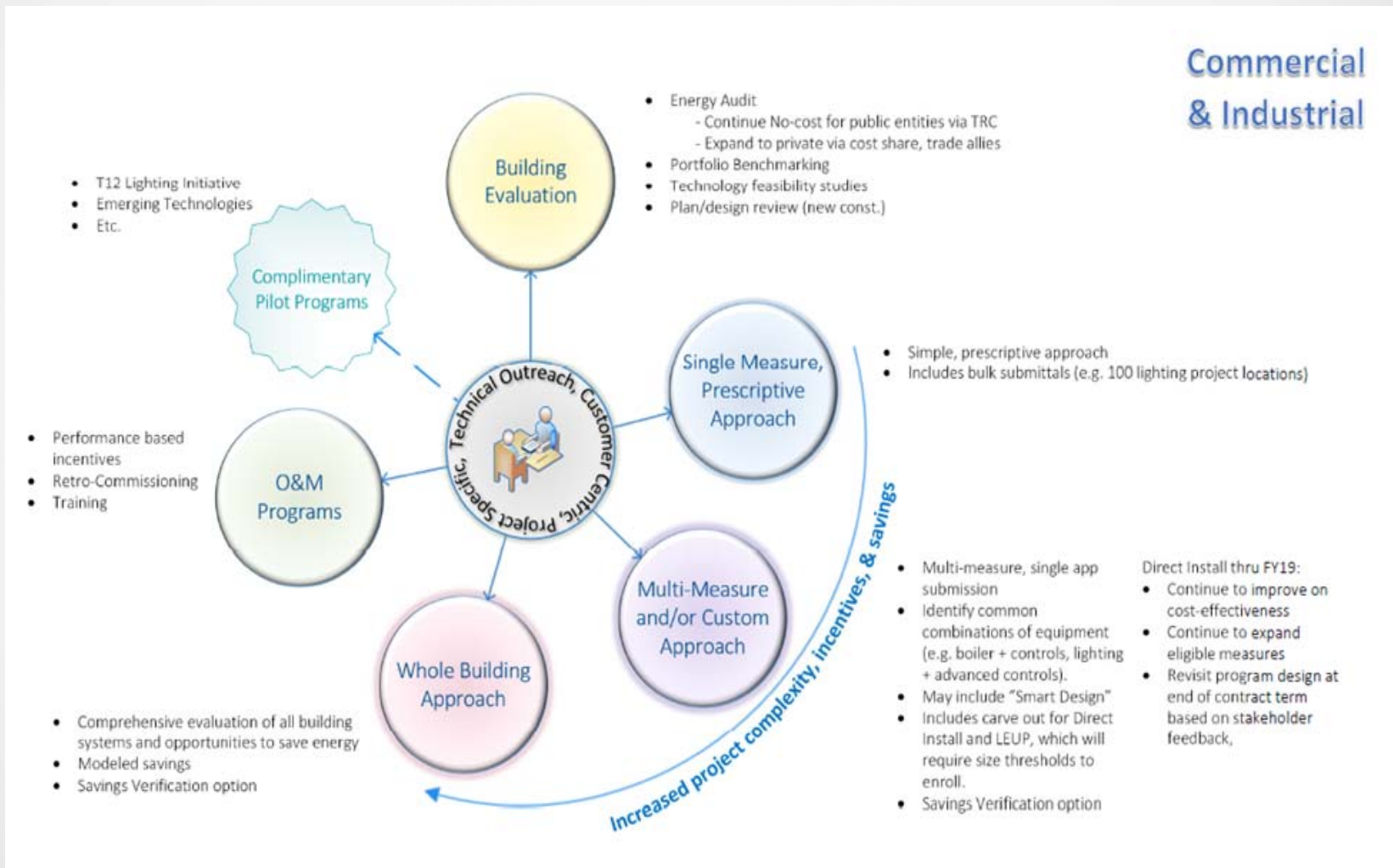
Multifamily Program

- Single Program
- Stakeholder Engagement

Commercial & Industrial



Commercial & Industrial



Proposed Direct Install Changes



- Changing maximum 200 kW annual peak demand to **annual average**
- Originally considered reducing incentive to 60% from 70%
- Now, recommending the following changes:
 - Increasing TRC ratio to 1.25%, and
 - Offering sliding scale incentive option which will allow more measures, more energy savings but at a lower overall cost.

Recommendations made with input from stakeholders regarding prevailing wage, marketing and other factors

Proposed LGEA Changes



- Change minimum kW eligibility logic to align with Direct Install changes
- Revise eligibility waivers for facilities under 200kW
- Expand Level 1 audit offering to small facilities/customers below 200kW

Proposed C&I Buildings Program



Eliminate Retrofit, New Construction, Customer Tailored, P4P EB/NC, and LEUP programs. Create a single Equipment program with multiple paths:

- **Single Prescriptive (\$)**
 - All LED
 - All rebate structure
 - Simplified application, equipment categories, and requirements
- **Multi-Measure Prescriptive & Custom (\$\$)**
 - Progress payments
 - No minimum savings for Custom, simplified requirements
 - Custom performance pilot will be investigated based on pre/post metering
- **Whole Building (\$\$\$)**
 - No minimum size or savings required, instead project must have comprehensive scope
 - Move ERP incentive to NJ BASE (see next slide), move Performance Incentive to Optional path.
- **Optional M&V (+\$)**
 - Additional incentive for demonstrative verified savings
 - Open to Multi/Custom and Whole Building paths

Increased Complexity and
Depth of Energy Savings

New!

Proposed C&I Buildings Program



■ NJ Building and Systems Evaluation (NJ BASE)

- Modeled after NYSERDA's FlexTech Program
- First step before upgrades
- Offers building-specific technical assistance to guide decision making
- 50/50 cost-share model
- Work done by pre-approved contractors



More Savings!

Allows us to engage new set of C&I customers
and capture lost opportunities

NYSERDA experience shows approximately 65% of all measure savings recommended as part of FlexTech process were implemented. National adoption rates are 10-40%.

Proposed C&I Buildings Program



Large Energy Users Considerations:

- No longer a separate Large Energy Users Program, instead provide enhanced incentive within Multi/Custom and Whole Building pathway until incentive contribution caps are reached
 - Prescriptive incentives will be paid at the same rate as everyone else
- Simplify determination criteria for “large energy user”
 - Minimum size based on annual energy cost of \$5 million
 - Maximum incentive cap 3% of total annual energy costs
- Eliminate minimum building size (400kW) and project size (\$100k incentive)
- Allow funds to be used on New Construction Projects
- Retain banking feature
- Move M&V to Optional Path (see previous slide)

Proposed CHP /RES Changes



CHP

- Offer technical assistance (via C&I BASE program)
- Enhanced focus on system performance/improving cost effectiveness.
- Match minimum efficiency to revised protocols (65%LHV to 60%HHV)
- Reward resiliency with blackstart incentive
- Change incentive structure for “packaged systems”

RES

- Initiates stakeholder process for new design
- Plan to integrate with Governor’s goal for storage

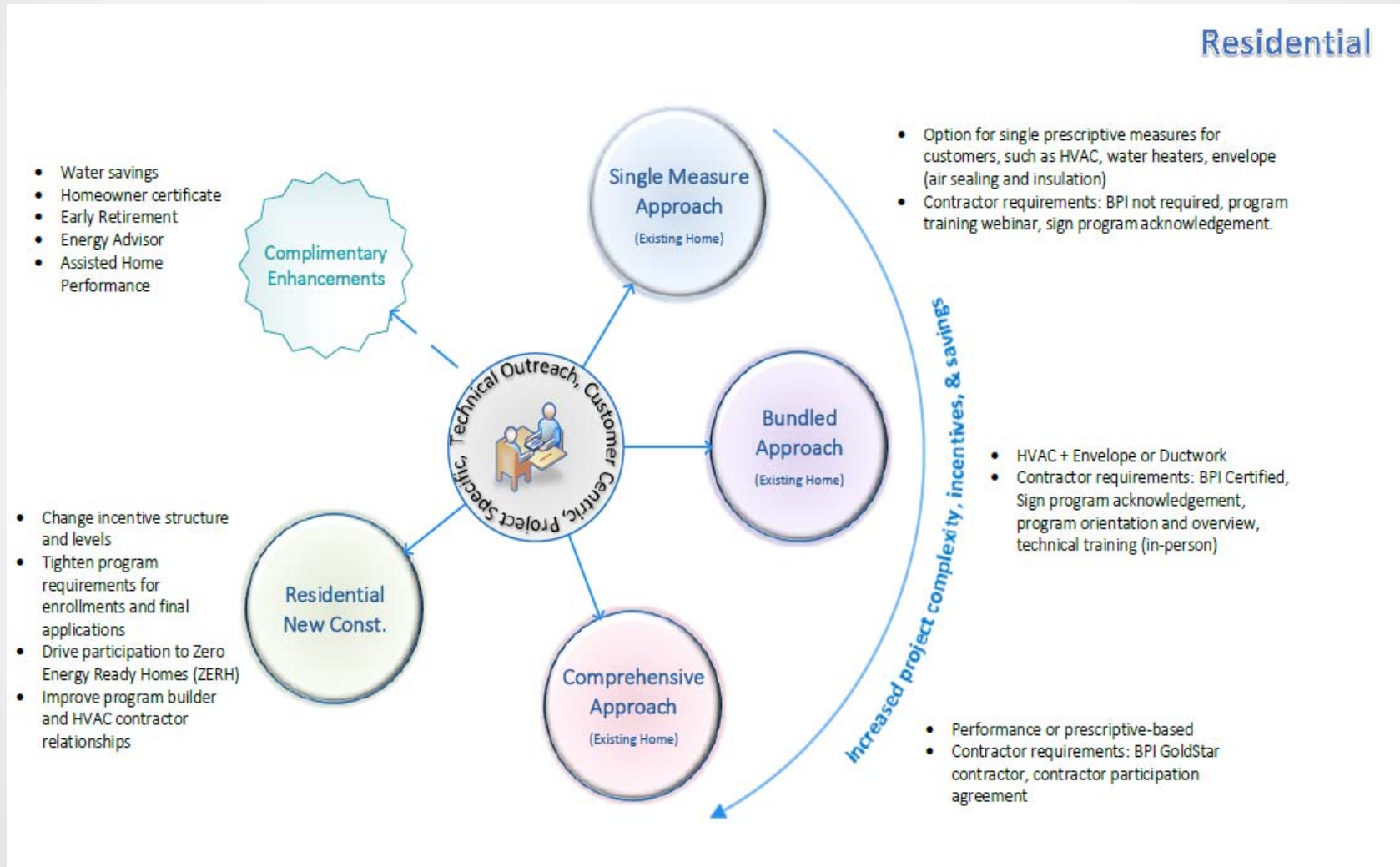


Comments or Questions?

Residential



Residential



Proposed Residential Program Changes



Customers/contractors will have more flexible pathways to encourage participation. Provide contractors flexibility to operate within their “sweet spot” at their level of expertise and business plan. Provide homeowner a solution for their home improvement needs.

Featured highlight of this proposed new design includes:

- Develop web content on customer pathways/experience
- Phased approach to program implementation with continuous customer engagement
- Offer prescriptive incentives for heating, cooling, water heater, envelope and ductwork upgrades
- Increase participation with measure bundling (i.e. HVAC + Envelope); offer a bonus for such efforts
- Investigating methods/pathway to assist moderate income customers.

Proposed Products Program Change



- Online marketplace to purchase energy efficient products
 - Allows us to capture customer information
 - Allows cross-marketing of other programs
 - Better measurement/data regarding purchases
 - Currently implementing for Ameren Missouri, DTE Energy and Focus on Energy

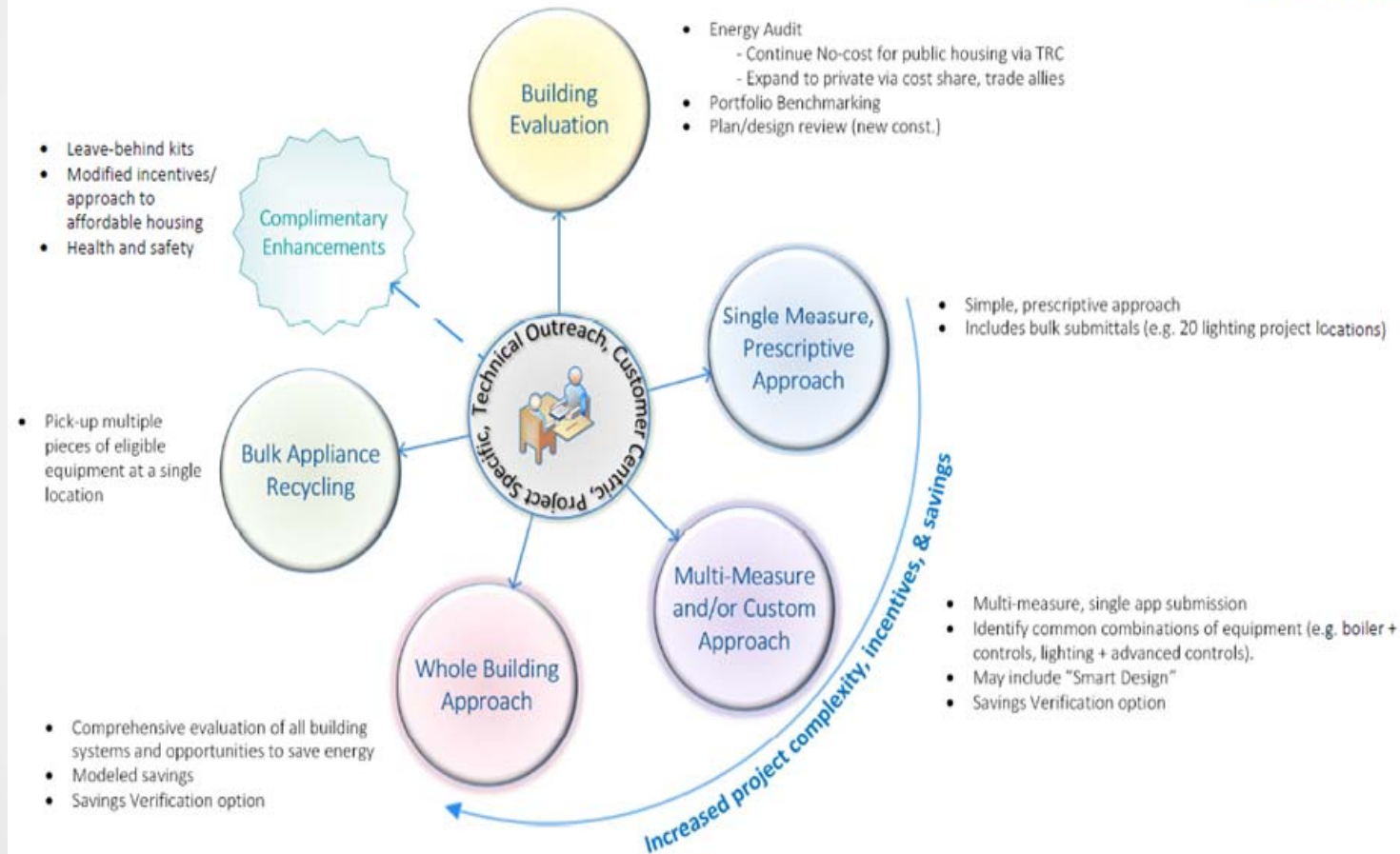


Comments or Questions?

Multifamily Program



Multifamily



Multifamily Program Design Objectives



- Align program design with strategic direction (across all sectors)
- Simplify participation through consolidated program delivery
- Provide more outreach and assistance
- Eliminate gaps/lost opportunities in the market
- Provide flexibility to meet customer needs
- Streamline program administration
- Increase participation and maximize savings per incentive paid

Current Multifamily Program Options



Equipment Rebates and Incentives

Warm/Cool Advantage

Appliance Rebates

SmartStart – Prescriptive and Custom

Direct Install

Whole Building Retrofit

Home Performance w/ ENERGY STAR

Pay for Performance – Existing Buildings

Whole Building New Const.

ENERGY STAR Certified Homes

ENERGY STAR Multifamily High Rise

Pay for Performance – New Construction

Other

Recycling

Comfort Partners

Local Gov't Energy Audit Program

CHP/Cogen

Multifamily Target Market



- 3+ units under single owner/manager
 - Excludes individually owned single family, two-family, and townhomes
 - Includes dormitories, assisted living
- Participant will be owner, developer, management company, HOA, etc.
 - Individual residents ineligible
- Multifamily will be phased out of participation in all other programs (e.g. commercial and residential).
- Potentially adjusted incentive for low/moderate income.
- NJCEP CHP, SRECs continue as stand alone programs under Renewable Portfolio

Multifamily Next Steps



- 3rd Stakeholder Meeting May 2nd (Trenton)
- Phased roll out, Transition Period
- Things going on:
 - Baseline study
- FY19 Program Planning across all sectors
 - Changes for July 1st still moving forward as planned
- Other Contingencies:
 - Implementation contingent on BPU approval



Comments or Questions?

FY 19 Next Steps & Timing

- Continue Program-specific stakeholder input
- CRA and Compliance Filing release for public comment
- Board Action
- Changes for DI, LGEA, CHP and RNC - July 1, 2018
- Roll out of new programs in stages throughout 2nd half of FY 19.



5. Utility Updates



6. Other Business

Thank you for joining us!