



# Energy Efficiency Stakeholder Meeting

March 17, 2022

# Agenda

1. Welcome & Introductions
2. Recap of Last Meeting
3. Current Program Updates
  - a. BPU Updates
  - b. Utility Company Updates
    - a. Presentation on On-bill Financing
4. FY23 Planning
5. Working Group Updates
  - a. EM&V Updates
6. General Q&A
7. Items of Interest
8. Next Meetings

# Welcome & Introductions



# Recap of Last Month



# February Meeting Recap

## What we covered:

- ✓ Transition information on NJCEP website
- ✓ NJCEP and Utility Program Updates
- ✓ Working Group Updates
- ✓ Q&A

# Post-Transition Energy Efficiency Programs



## Program areas served by NJCEP:

- New Construction (residential, commercial, industrial, government)
- Large Energy Users
- Combined Heat & Power & Fuel Cells
- State Facilities\*
- Local Government Energy Audits
- Energy Savings Improvement Program

\* State Facilities are also eligible for utility programs



## Program areas served by the Utilities:

- Existing Buildings (residential, commercial, industrial, government)
- Efficient Products
  - Lighting and Marketplace
  - HVAC
  - Appliance Rebates
  - Appliance Recycling

### Additional Programs & Features:

- Dedicated multi-family program
- More financing options
- Quick home energy check-ups
- Moderate-income weatherization



Continues to be co-managed by the Utilities  
and the BPU



Visit our transition website:

[www.NJCleanEnergy.com/TRANSITION](http://www.NJCleanEnergy.com/TRANSITION)

FAQs will be  
updated  
regularly

# Visit our transition website:

www.NJCleanEnergy.com/TRANSITION



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HOME	RESIDENTIAL	COMMERCIAL, INDUSTRIAL AND LOCAL GOVERNMENT	RENEWABLE ENERGY
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**NEW JERSEY'S CLEAN ENERGY PROGRAM**

BOARD OF PUBLIC UTILITIES

POLICY UPDATES & REQUEST FOR COMMENTS

CALENDAR

CLEAN ENERGY STAKEHOLDER GROUPS

GRANTS & SOLICITATIONS

TRAINING RESOURCES

PRESS ROOM

PUBLIC REPORTS AND LIBRARY

CONTACT US

## New Jersey's Energy Efficiency Program Transition

Transición del Programa de Eficiencia Energética de Nueva Jersey

### Electric Utility Contact Information

Utility Name	Commercial & Industrial Programs	Residential Programs
Public Service Electric & Gas	Website and Email Phone: 844-300-7734	Website and Email Phone: 855-846-2895
Atlantic City Electric	Website, Email and Phone: 806-353-0007	Website, Email and Phone: 806-353-0007
Jersey Central Power & Light	Website, Email and Phone: 800-862-3115	
Rockland Electric	Website, Email and Phone: 877-434-4100	

### Gas Utility Contact Information

Utility Name	Commercial & Industrial Programs	Residential Programs
Public Service Electric & Gas	Website and Email Phone: 844-300-7734	Website and Email Phone: 855-846-2895
New Jersey Natural Gas	Website and Email Phone: 877-455-5504	Website and Email Phone: 877-455-5504
South Jersey Gas	Website and Phone: 888-263-7372	Website and Phone: 833-463-0901
Elizabethown Gas	Website and Phone: 888-263-7372	Website and Phone: 833-463-0902

**Program Updates**

- New! School and Small Business Energy Efficiency Stimulus Program
- Energy Efficiency Stakeholder Meeting Feb 17
- Energy Efficiency Program Transition

**Program Literature**

Applications and Brochures  
Download the Latest Program Materials

**Clean Energy Learning Center**

New Jersey Clean Energy Learning Center

**Subscribe to eNewsletter**

E-Newsletter

## FREQUENTLY ASKED QUESTIONS

Frequently asked questions (FAQs) are grouped by the following subject areas; you can jump to any section by clicking on one of the topics below:

- General FAQs
- Commercial & Industrial Programs FAQs
- Residential Programs FAQs
- Contractor Specific FAQs
- Questions

### General FAQs

Why are some energy efficiency programs now managed by the utility companies? (updated October 28, 2021)

The transition of the administration of certain energy efficiency programs from NJCEP to the utilities occurred in accordance with the mandates from the Clean Energy Act of 2018. These new programs allow the utilities to work directly with customers to achieve energy savings. The Board considered the following in establishing this transition:

- Programs that rely heavily on the use of contractors will be handled at the utility level, where the utility companies can build strong relationships and lead co-branded advertising and marketing efforts.
- Utilities will handle programs that rely on customer data or advanced metering infrastructure (AMI) to streamline customer data access layers and minimize the sharing of data to protect customer privacy.
- Utilities are well-suited to deliver certain energy efficiency programs, such as those that are based on existing customer relationships and that rely on utility data and systems.
- Utility administration works best for programs that can leverage utilities' knowledge of energy consumption, customer demographics, workforce infrastructure, and existing customer relationships within their service territories. Utility access – and increased customer access – to energy use data enables the design of more personalized services and programs, targeted outreach, and individualized solutions for customers.
- Utilities can offer flexible financing options such as on-bill repayment.
- Customers may have more "brand awareness" and direct communication with their utility, facilitating the broader adoption of energy efficiency measures.





# Current Program Updates



# BPU Program Updates: Progress to Goals (PTG) Report as of February 2022 – FY22

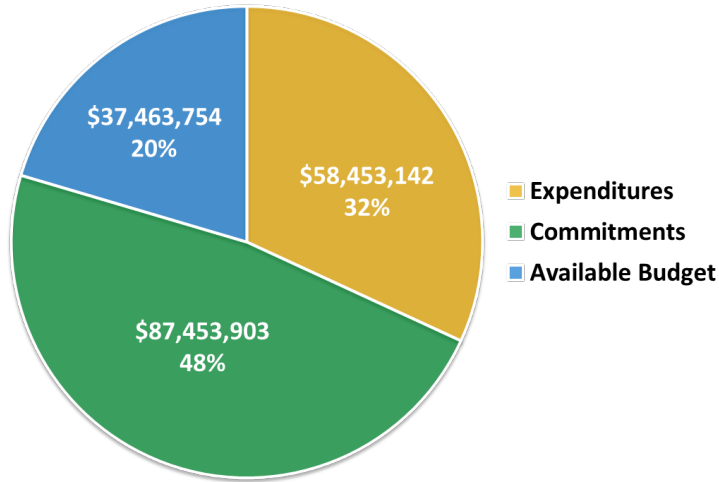


**Note (1):** The results presented here are preliminary and are subject to change.

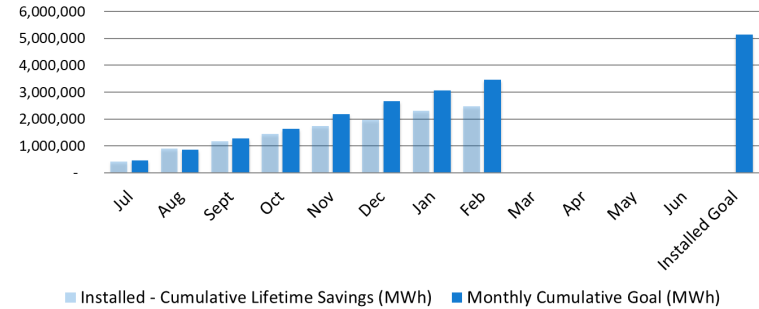
**Note (2):** Due to COVID-related health and safety restrictions, some programs have experienced a decline in participation or project completions.

# Overall Progress Towards TRC Managed Program Goals

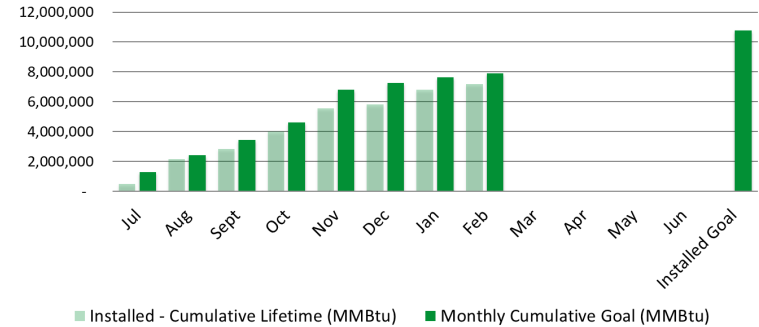
FY22 Overall TRC Managed Programs  
Incentive Budget: **\$187,370,799**



FY22 Overall Progress Towards TRC Managed Program Goals  
Cumulative Installed Lifetime MWh Savings

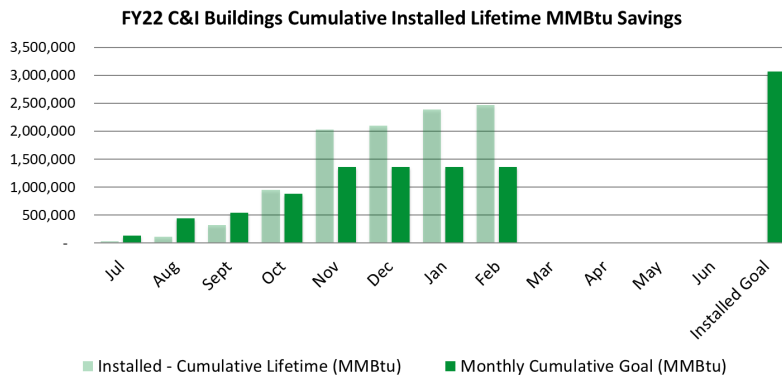
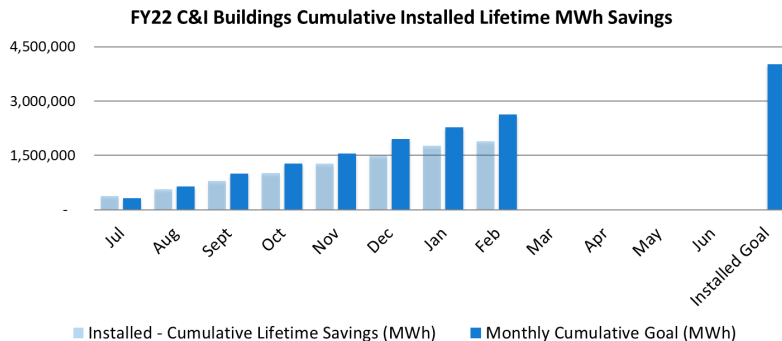
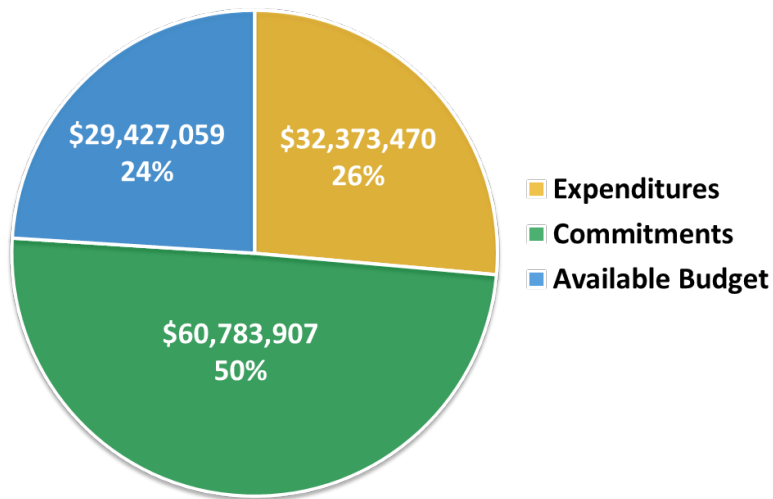


FY22 Overall Progress Towards TRC Managed Program Goals  
Cumulative Installed Lifetime MMBtu Savings



# Commercial & Industrial Buildings

FY22 Incentive Budget: **\$122,584,436**



## February Program Highlights

### Retrofit

- Received 5 applications (187 YTD)
- Approved 6 applications (512 YTD)
- Paid 144 applications (1,373 YTD)

### New Construction

- Received 3 applications (36 YTD)
- Approved 5 applications (41 YTD)
- Paid 11 applications (42 YTD)

### Customer Tailored Energy Efficiency Pilot Program (CTEEP)

- Received 0 new enrollments (4 YTD)
- Approved 14 applications (31 YTD)
- Paid 1 application (63 YTD)
- Held 0 scoping session meetings with customers (5 YTD)

### Large Energy Users Program (LEUP)

- Received 1 application (10 YTD)
- Approved 0 Final Energy Efficiency Plans (5 YTD)
- Paid 0 Applications (9 YTD)

### Pay for Performance – Existing Buildings

- Received 0 applications (0 YTD)
- Approved 0 Energy Reduction Plans (12 YTD)
- Completed 3 projects (45 YTD)

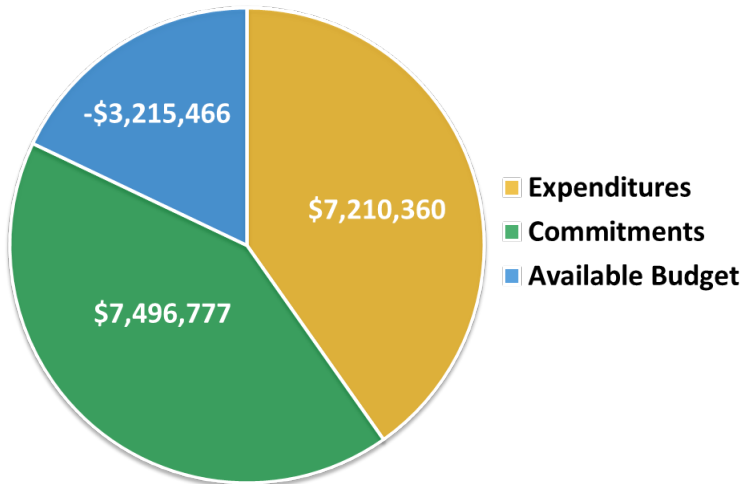
### Pay for Performance – New Construction

- Received 0 applications (9 YTD)
- Approved 0 Energy Reduction Plans (5 YTD)
- Completed 0 projects (3 YTD)

# Direct Install

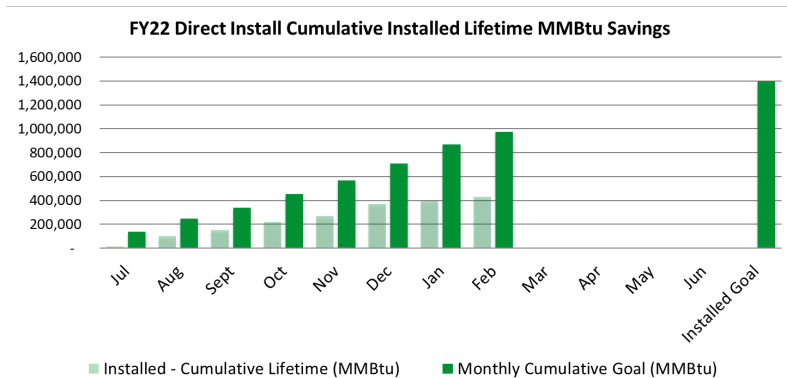
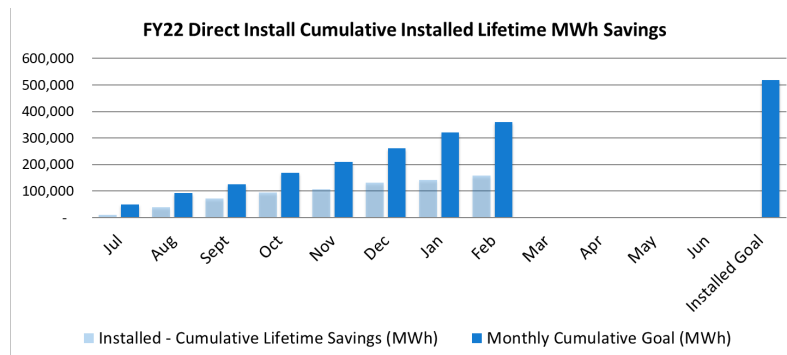
**Note:** Actual year-end FY21 commitments exceeded the estimated commitments used to develop the budget. The difference will be addressed in the FY22 true-up budget. The FY21 budget was not exceeded.

FY22 Incentive Budget: **\$11,491,671**



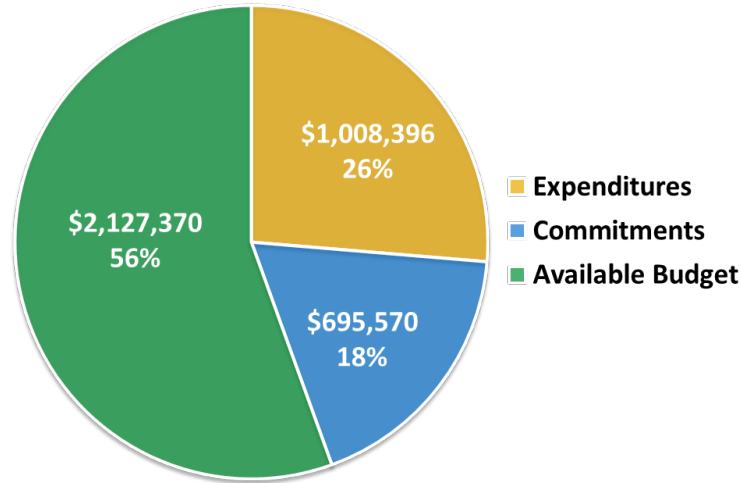
## Program Highlights

- Received 0 applications (0 YTD)
- Paid 26 applications (201 YTD)



# Local Government Energy Audit (LGEA)

FY22 Incentive Budget: **\$3,831,336**

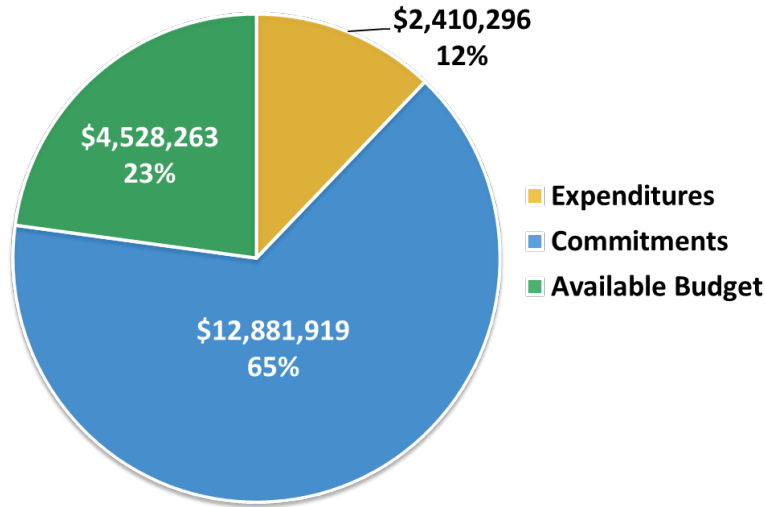


## Program Highlights

- Received 15 applications (219 YTD)
- Approved 26 applications (115 YTD)
- Audited approximately 423,381 square feet
- Held 1 Exit Meeting for 7 sites (including additional scopes)
- Delivered Final Audit reports on 25 sites (2 entities)

# Distributed Energy Resources

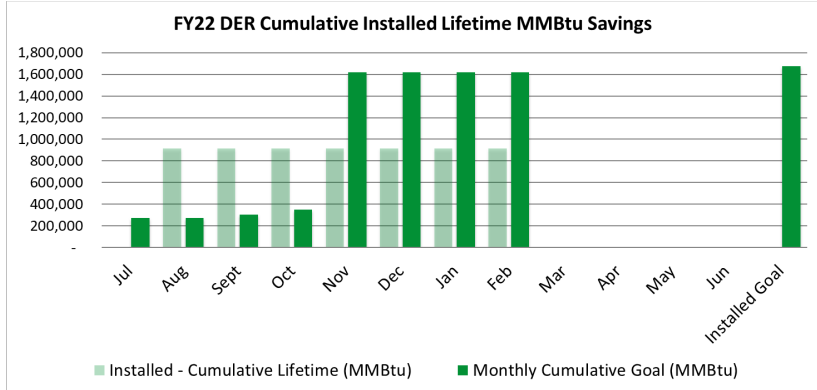
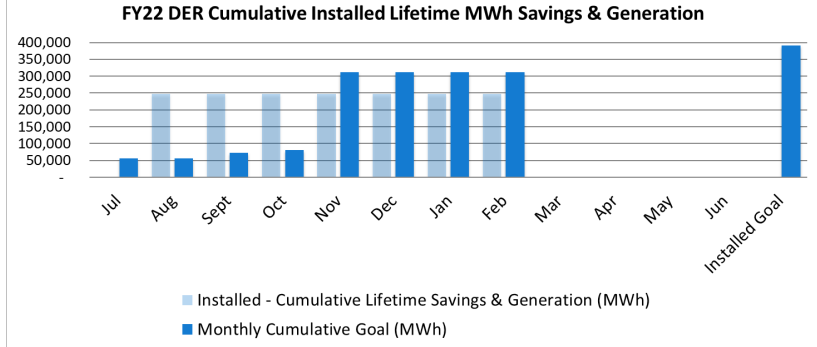
FY22 Incentive Budget: **\$19,820,478**



## Program Highlights

### Combined Heat & Power (includes Fuel Cells)

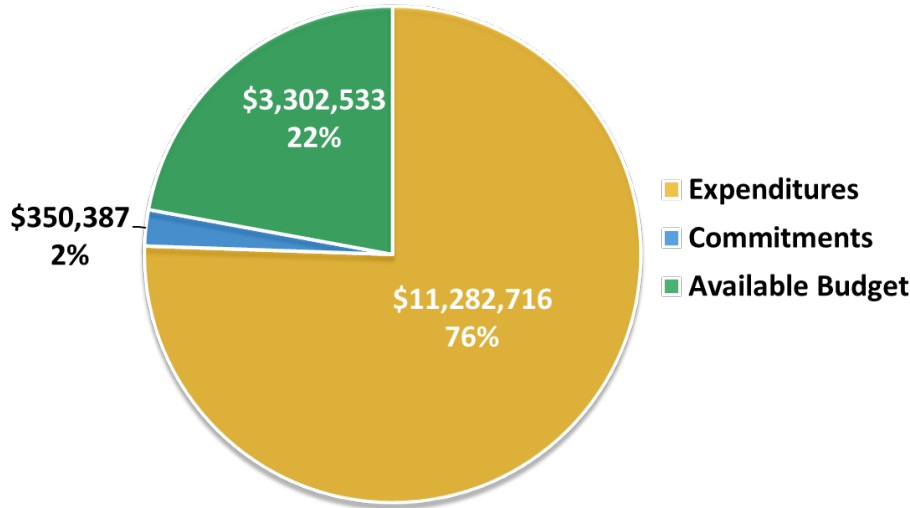
- Received 0 applications (5 YTD)
- Approved 0 applications (1 YTD)
- Completed 1 installation (4 YTD)



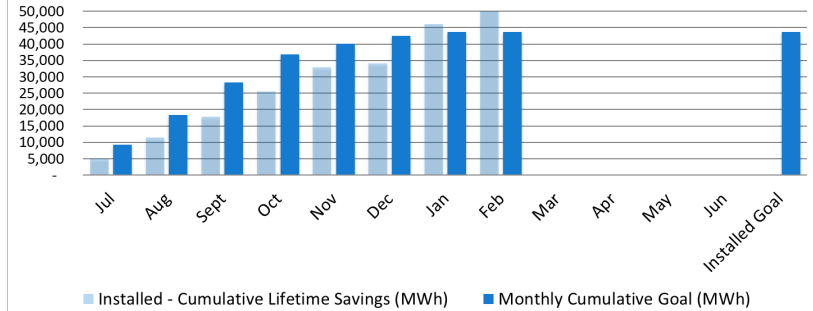


# Residential Existing Homes

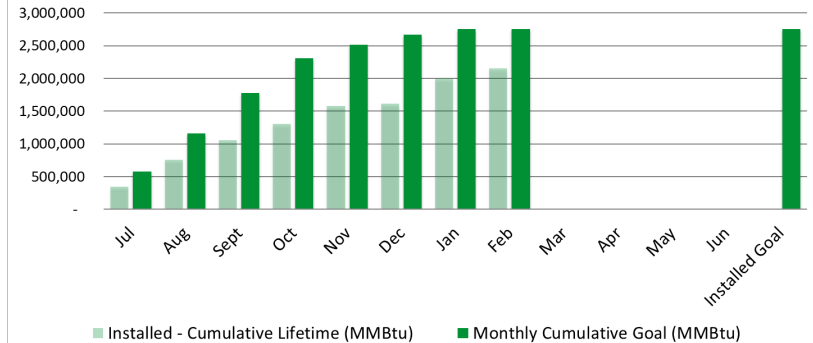
FY22 Incentive Budget: **\$14,935,636**



FY22 Existing Homes Cumulative Installed Lifetime MWh Savings



FY22 Existing Homes Cumulative Installed Lifetime MMBtu Savings



# Residential Existing Homes

## February Program Highlights

### Heating, Ventilation and Air Conditioning (HVAC)

- Received 32 applications (6,109 YTD)
- Paid 1,195 applications (11,638 YTD)
- Delivered 0 HVAC training classes

### Home Performance with ENERGY STAR® (HPwES)

- Received 0 enrollments (0 YTD)
- Completed 118 projects (2,120 YTD)
- Delivered 0 HPwES training classes

### State Energy Program (SEP) Available for oil, propane, municipal and coop electric customers:

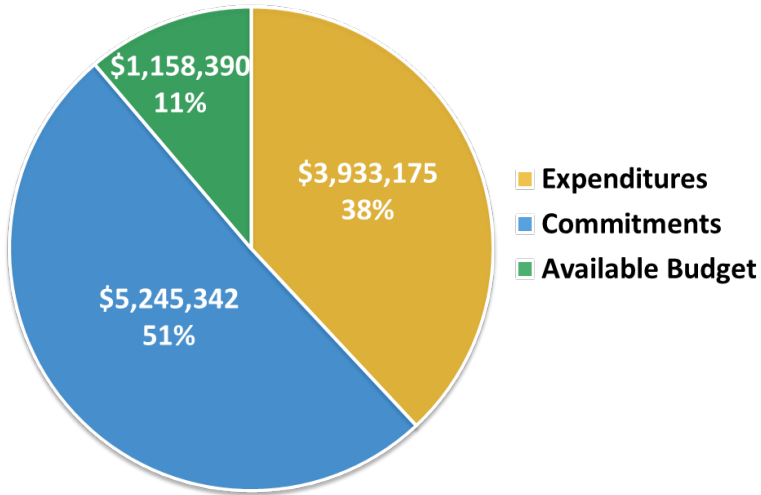
- HVAC: \$ 207,747.64 remaining
- HPwES: \$ 368,966.70 remaining

### Contractor Cooperative Marketing Incentives:

- HVAC: \$ 0
- HPwES: \$ 0

# Residential New Construction

FY22 Incentive Budget: **\$10,336,907**

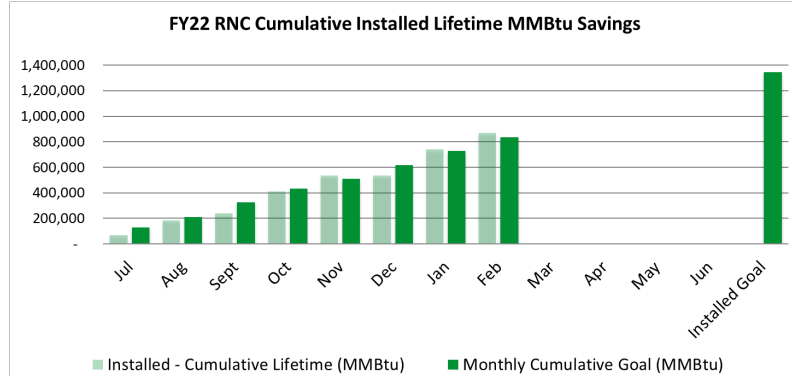
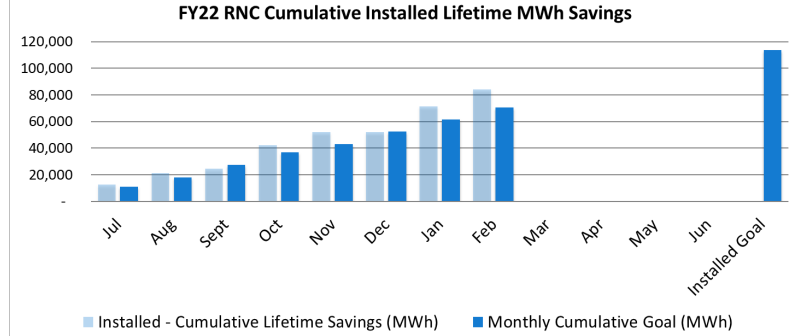


## Program Highlights

- Received 89 enrollments (2,301 YTD)
- Completed 372 projects (2,743 YTD)

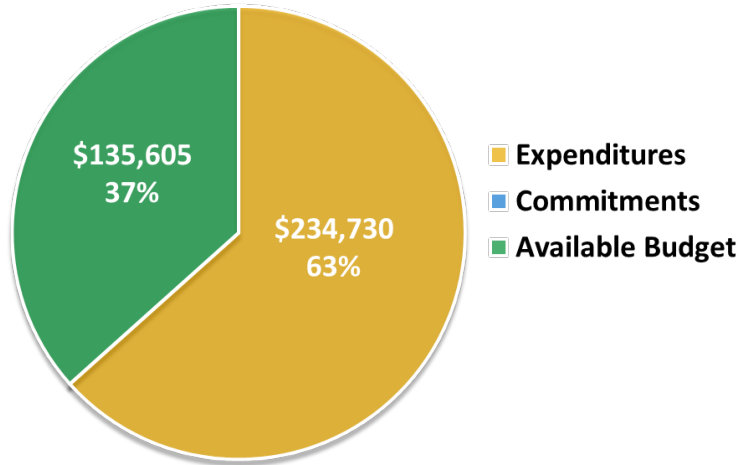
## Contractor Cooperative Marketing Incentives:

- RNC: \$ 0



# Energy Efficient Products

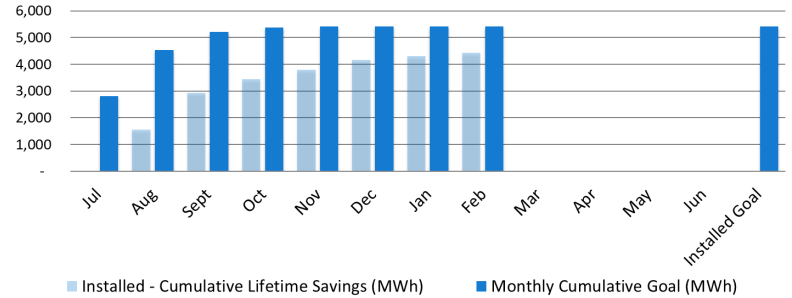
FY22 Incentive Budget: **\$370,335**



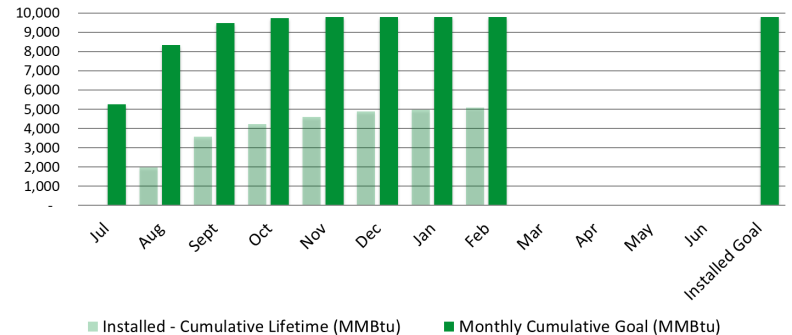
## Program Highlights

- Appliance Rebates: 40 completed
- Appliance Recycling: collected 0 units
- 0 retailer store visits were conducted in February

FY22 EEP Cumulative Installed Lifetime MWh Savings

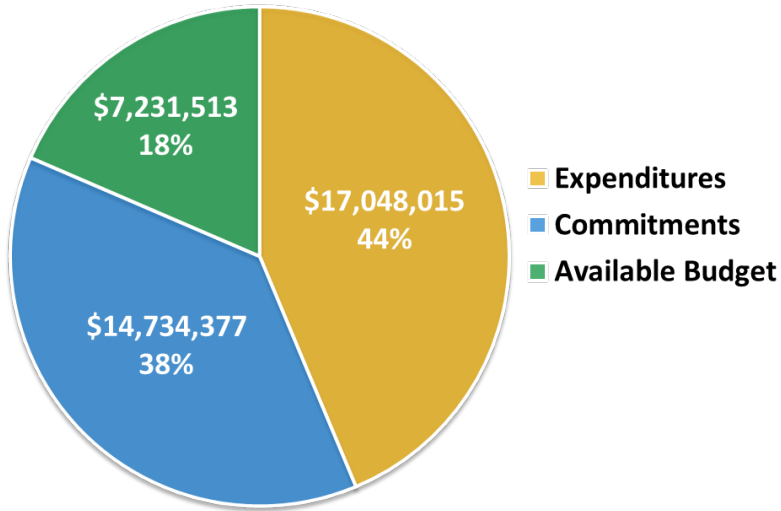


FY22 EEP Cumulative Installed Lifetime MMBtu Savings



# Comfort Partners

FY22 Incentive Budget: **\$39,013,905**

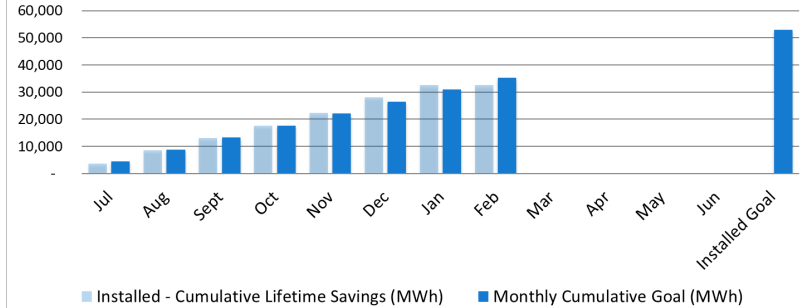


## Program Highlights

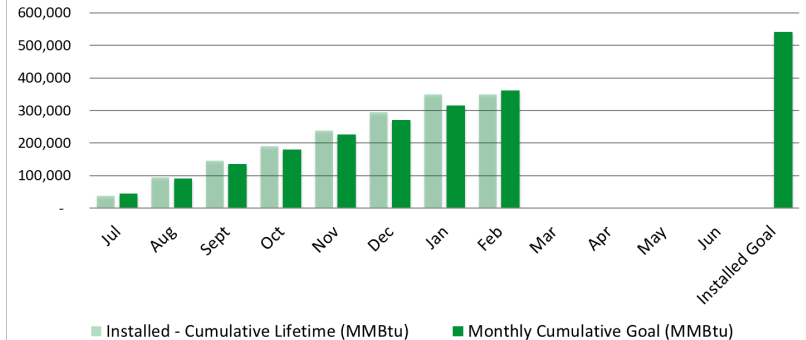
- Completed 361 Projects (2,573 YTD)



FY22 Comfort Partners Cumulative Installed Lifetime MWh Savings



FY22 Comfort Partners Cumulative Installed Lifetime MMBtu Savings

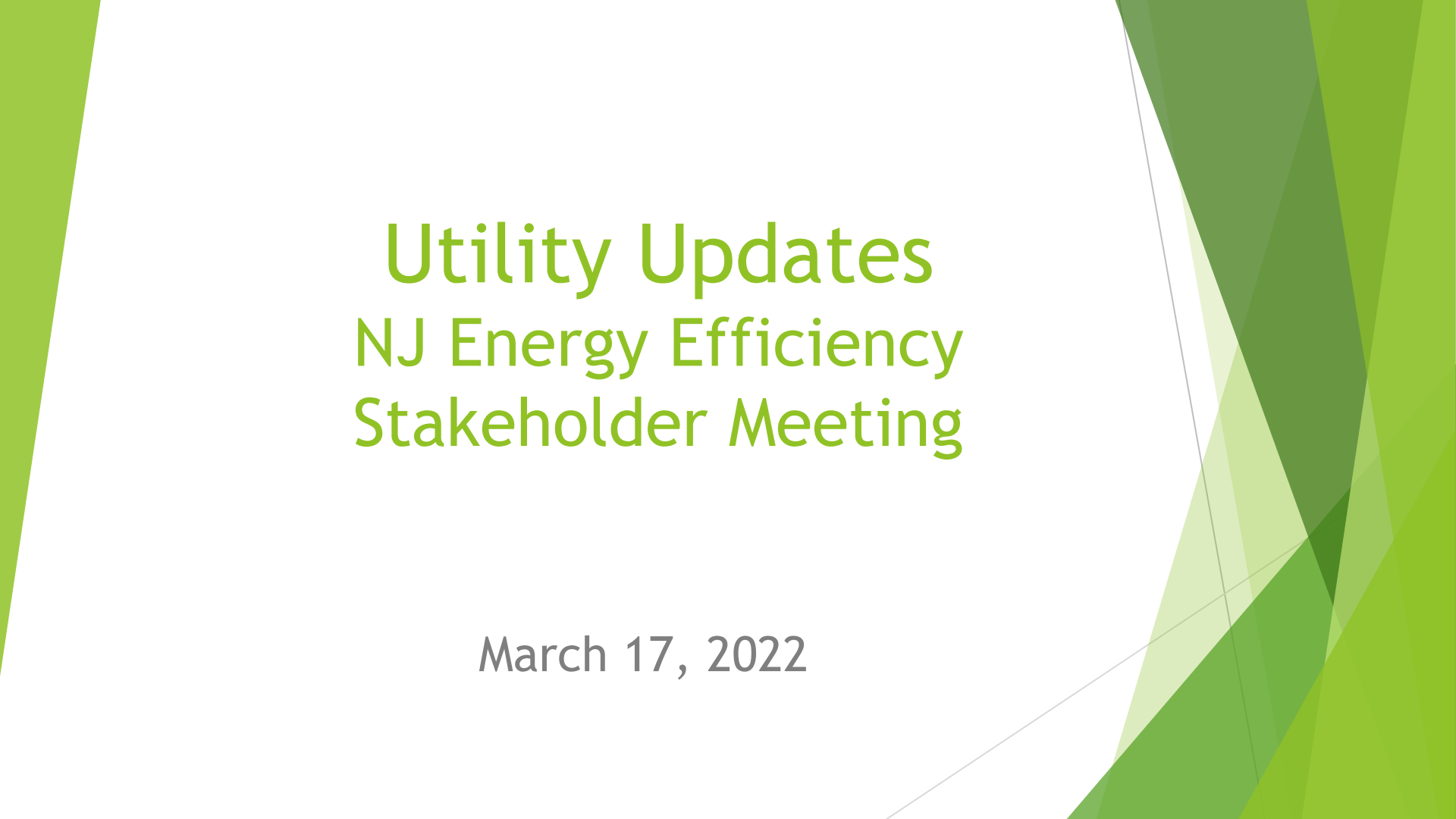


# School and Small Business EE Stimulus Programs

- Program launched October 7, 2021
- **Budget** - \$180 Million
- **Goal:** provide grants to boards of education and eligible small businesses for repair/installation of HVAC and plumbing fixtures and appliance.
- **Primary Focus:**
  - Air quality/air flow (COVID - driven)
  - Energy efficiency / water conservation
  - Assisting underserved communities

Program information posted on NJCEP website at:

<https://njcleanenergy.com/school-and-small-business-energy-efficiency-stimulus-program>

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# Utility Updates

## NJ Energy Efficiency Stakeholder Meeting

March 17, 2022

# Reminders

- ▶ All of the utilities have launched the programs transitioning from NJCEP
- ▶ Reach out to utilities where you may be interested in doing business.
  - ▶ Explore the information they have posted and reach out if you have questions.
  - ▶ Sign up for any contractor updates if that is available.
  - ▶ Build your understanding of utility specific elements (e.g. financing options, online forms)
  - ▶ Some programs have specific contractor requirements and may require Participating Contractor Agreement
- ▶ Contact info for all utilities is captured NJCEP Transition page

**Utilities appreciate your patience during this transition**  
Committed to updating FAQs and materials to provide clarity to  
customers and contractors



# Program Updates

- ▶ Changes to many residential PSE&G rebate levels went into effect on March 7<sup>th</sup>
  - ▶ Information was reviewed at the March 2nd Trade Ally webinar
  - ▶ More information can be found at <https://homeenergy.pseg.com/heatingandcooling>
- ▶ Recurring joint utility calls booked to provide program updates and secure feedback on programs
  - ▶ HPwES contractors - 3<sup>rd</sup> Thursday of every other month
    - ▶ Next meeting scheduled for April 17th
  - ▶ HVAC contractors- 1<sup>st</sup> meeting to be booked for March 24<sup>th</sup>
    - ▶ Reach out to your utility if you are interested
  - ▶ Contractors do not need to wait for meetings if they have questions

# Joint Petition- Budget Constraints

- ▶ Utilities have been working to resolve constraints among Lead and Partner utility budgets that presented challenges in supporting the market during this Triennial.
- ▶ On November 8<sup>th</sup>, the utilities submitted a joint letter petition with a proposal to allow for more flexibility for utilities to implement solutions that can help keep markets open and allow Lead Utilities to implement their approved Program Plans
  - ▶ Would allow a Lead Utility with available budget to cover a Partner Utility's fuel if a Partner Utility is not able to support the funding request within the existing flexibility provisions
  - ▶ Seeking interim approval to help address existing budget constraints for certain programs in some territories
- ▶ Board currently considering the procedural elements for this petition
  - ▶ Discovery process is complete
- ▶ Working with Board staff and Rate Counsel on a settlement

# Overview of On-Bill Repayment Programs



July 16, 2022

# What is an On-Bill Repayment Program?

- An On-Bill Repayment Program (OBRP) is an agreement that allows the utility to fund the majority (in some cases all) of the qualifying equipment or project costs and the customer repays the obligation over time.
- Customer sign a promissory note or repayment agreement for the value of the OBRP
- OBRP would always be net of the value of any utility rebates
- Many programs allow for a single OBRP to cover measures for both fuels for comprehensive projects

NJNG and PSE&G have been running OBRP programs for more than a decade. SJG and ETG launched in July 2021.

# Which Programs Offer an OBRP?

Residential	Commercial	Multi-family
EE Products-HVAC equipment*	Prescriptive and Custom	Home Performance with ENERGY STAR
Home Performance with ENERGY STAR	Direct Install	Prescriptive and Custom
	Engineered Solutions	Engineered Solutions*
	Energy Management	
Repayment term varies by program- generally a 5 to 10 year range		

**\* These programs offer special longer repayment terms for Low to Moderate Income Customers**

# How do customers qualify for OBRP?

- All customers must submit an application to participate in an OBRP
  - Can be submitted in advance of a project to confirm they qualify
- Eligibility
  - For NJNG, SJG, and ETG
    - Review of prior utility payment history
    - Confirm no recent bankruptcies
    - Generally does not rely upon credit ratings
  - For PSE&G, residential customers are evaluated using an internal credit worthiness assessment. PSE&G evaluates commercial customers based on an external credit worthiness assessment. Both evaluations consider utility payment history.
- Notified if they are approved or denied
  - Customer has the option to assign the proceeds directly to the contractor

Commercial projects can be more complicated since they may have multiple owners.

# What about the LMI customers?

- Separate application for Low- to Moderate-Income (LMI) Customers to receive additional rebates and an extended repayment term
  - Includes streamlined enrollment for customers in certain census tracts and meet the income guidelines or those customers who participate in qualifying programs
    - Examples include Payment Assistance for Gas and Electric (PAGE) or New Jersey SHARES
  - NJNG has had a similar extended OBRP term for LMI customers in place since 2019

LMI customers can also be referred to the Moderate Income Weatherization Program

# Advantage of an OBRP

- Expands customer participation potential to include those who lack access to capital to fund upfront costs.
- Allows the customer to start experiencing the savings as they pay back their OBRP
- May even be cash flow positive for the customer
- Generally looks at their utility payment history to qualify
- Outreach advantages
  - Some customers concerned about taking on more traditional debt
  - Some customers can instantly sense whether they should qualify based on the criteria



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► Questions?

# FY23 PLANNING



# WORKING GROUP UPDATES



# Working Groups



**Four Energy Efficiency Working Groups were identified in the June 10, 2020 Board Order to refine the programs through the transition. The current working groups are as follows:**

- **Evaluation, Measurement, and Verification Working Group**  
(Technical Reference Manual Committee and NJ Cost Test Committee)
- **Workforce Development Working Group**
- **Equity Working Group** (Comfort Partners Committee and Multifamily Committee)
- **Marketing Working Group**

# Evaluation, Measurement, & Verification Working Group



- Provide guidance and input on the planning and monitoring of EM&V plans (including activities, methodologies, budgets, priorities), policies, procedures, guidelines, requirements for program administrators (including data to be tracked and reported, such as GHG emissions reductions, BTU savings, local worker job-hours, supplier diversity), methods to account for strategic electrification, and schedules.
- Provide recommendations on development of a standard, transparent, and replicable approach for EM&V across the state, according to which the State and utilities will be held to the same accountability standards such as the frequency and transparency of reporting and vendor procurement requirements.
- Share associated data, track best practices from other jurisdictions, emerging EM&V approaches and facilitate the necessary stakeholder processes related to the State's EM&V policies.

# EM&V Timeline – 1<sup>st</sup> Triennium

Start of 2<sup>nd</sup> Triennium

Calendar Quarters:



**EM&V Studies**

- EM&V Studies by Rutgers (1Q22 - 4Q22)
- EM&V Studies by Independent Evaluation Team (3Q22 - 2Q23)
- EM&V Studies by utility program evaluators (1Q22 - 4Q22)
- EM&V Studies released (4Q22 - 2Q24)

**TRM Cmte**

- Revise priority measures in TRM (1Q22 - 4Q22)
- Feb - TRM released for public comment (4Q22)
- Apr - Board Order to approve TRM (1Q23)

**NJCT Cmte**

- Update NJCT inputs including Avoided Costs (1Q22 - 4Q22)
- Develop new NJCT (1Q22 - 4Q22)
- Feb - Avoided Costs & NJCT released for public comment (4Q22)
- Apr - Board Order to approve Avoided Costs & NJCT (1Q23)

**Utilities**

- Apr to Nov 1st - Utilities prepare **filings** for next Triennium EE Plans. (1Q23 - 1Q24)

**BPU**

- Nov to May 1 - BPU & RPA review Utility Filings
- Participants & interveners on Filings

\* Boxes with white borders indicate internal work processes. Colored boxes are public reports or feedback periods

# Workforce Development Working Group



- Develop recommendations for establishing coordinated and collaborative workforce development and job training pathways statewide
- Focus on providing economic opportunities for underrepresented and socially or economically disadvantaged individuals



# Equity Working Group



- Develop recommendations to integrate equity metrics and approaches in energy efficiency and peak demand reduction programs
- Collaborate with Supplier Diversity Development Council to encourage supplier diversity
- Encourage contractor coaching/mentoring of diverse enterprises

**Comfort Partners Committee:** Oversee Comfort Partners Program and utilities' day-to-day operations

**Multifamily Committee:** Design and manage delivery of multifamily sector with goals of equitable access and adequate program support



# Marketing Working Group



- Promote the programs, overall state brand (utilized by all program administrators), and the larger benefits of participation in EE and PDR programs. Engage in a collaborative effort in branding, messaging, and promotion of all utility- and State-led programs, including in the provision of program materials in Spanish and languages other than English. Staff shall leverage State resources to promote general awareness of EE and other clean energy opportunities in NJ while the utilities shall market specific programs and initiatives to customers in a more targeted fashion

# General Q&A



To submit questions in advance for next month:  
**[EnergyEfficiency@bpu.nj.gov](mailto:EnergyEfficiency@bpu.nj.gov)**

# Items of Interest



# Next Meetings



# Energy Efficiency Stakeholder Meetings

[NJCleanEnergy.com/StakeholderGroups/Energy-Efficiency](http://NJCleanEnergy.com/StakeholderGroups/Energy-Efficiency)

*3<sup>rd</sup> Thursday of the Month, 1-2:30pm*

April 21, 2022

May 19, 2022

June 16, 2022

July 21, 2022

August 18, 2022

September 15, 2022

October 20, 2022

November 17, 2022

December 15, 2022

# More Information

## VISIT

NJCleanEnergy.com

NJCleanEnergy.com/StakeholderGroups/Energy-Efficiency

## CONTACT

[EnergyEfficiency@bpu.nj.gov](mailto:EnergyEfficiency@bpu.nj.gov)

866.NJ.SMART (657.6278)

## NEWSLETTER

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THANK YOU

