

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
March 16, 2011
Hosted by Honeywell at CSG, Iselin**

Introductions

Program Coordinator and Regulatory Updates

Presenters: Mike Winka (BPU) & Mike Ambrosio (AEG)

1. Utility Filings (Mike Winka) – NJNG, E-town and SJG have extensions in for the E3 Programs and those were approved at the beginning of this year/end of last year. RECO has a request in for an extension and it is scheduled for the Agenda on March 30th. PSE&G has made a filing for an extension and for new funding that is mostly for the Hospitals, Multifamily and Muni Programs.
2. Board Orders (Mike Winka):
 - a. PSE&G filing for \$105M was just determined to be complete and it will be posted on the website. Public hearings are to be scheduled for the proceedings within 180 days from March 1st. However, they are going to try and accelerate this to have as soon as they can before the 180 days.
 - b. Last Board Agenda meeting there was an MOU with EDA that was approved. The EDA runs 3 programs: Clean Energy Manufacturing Fund, Green Growth Fund and now a revolving loan fund. This puts in place the mechanisms to allow them to operate even though they have an approved compliance filing program. This allowed the transfer of money and increase in admin. funding from \$15K a month to \$55K a month equaling \$660K for a \$33M program overall. The new program is a revolving loan program that will match up with the Pay for Performance Program (P4P). This is an 80% loan on top of the P4P incentive up to \$2.5M. The postings on all these solicitations will come out and probably will be on the April Agenda and then will be posted from there.
 - c. There is an MOU with the Dept. of Community Affairs and the BPU that was approved by the Board and is in place to be signed and it will add up to \$12M in first round and could increase to \$16M in funding. It will be funding from the DCA ARRA Weatherization Assistance Program and it will use the existing structure that we have with Comfort Partners and the Utilities. It will be delivering the WAP through the Utilities and is the first step with this MOU for the Dept. of Community Affairs to be able to actually transfer the data so that the Utilities funds are available and obligated. From there, there will be grant contract approvals with the Utility. This has several moving parts as it includes the DOE, DCA, Board, Utilities as well as the contractors that implement it.
3. True-Up Order is scheduled for March 30th.
4. Solar for All and the transfer that capacity and RECO are on schedule for March 30th Agenda.
5. Legislative Front (Mike Winka) – Bill A.2529 was conditionally vetoed by the Governor so it goes back to the Senate. Winka does not believe there is a timeframe that Legislature has to act. Mostly A.2529 was in regards to solar and the definition for connection to the distribution system. There were some changes to the definition and it gave authority to the Board to do an Energy Efficiency Portfolio for certain definitions that was added to A.2529. As this bill proceeds and whether it goes back and forth and gets approved by the Senate, it would be our work item to hold a stake holder process on the development of an Energy Efficiency Portfolio Standard and the first step will be to look at with regards to the original definitions in A.2529.
6. LCAP Legislation (Mike Winka) – Piece of Legislation passed that is a process to allow us to culture additional generation and there are a lot of legal issues around it and Mike Winka did not want to go into all the details around it. One of the key issues is that in this already approved bill was that gas generation is not available for an SBC. This does not change anything on the total cost of the SBC. It is something they need to look at for changes down the line, perhaps in 2012. It is not going to impact the True-Up budget. No change to funding levels in 2011. Need to put some data together to look at what the impact will be going forward.
7. ARRA Funding (Mike Winka) – 100% complete on the SEP ARRA, the last grant contract went out yesterday. Audit coming up with the DOE next week. Pretty much caught up on the EECBG and basically on schedule to commit and spend for Local Government. Roger Kliemish agreed.

8. Transition (Mike Winka) – Close to schedule to getting out the Straw by the end of month (may be a week or so off on that). Hearings will be scheduled in April. On the Energy Master Plan side, all Mike Winka would say is that based on the email requests for data, he is pretty sure they are close. He was not sure how it would impact the hearings at the end of the month.
9. Mike Ambrosio- TRC is developing a concept paper and they are hoping to have 2 pieces. The budget piece will be talked about today (included in the budget) and the program description will not be ready for March 30th as they are optimistically hoping for April and likely May. Like to have a proposal circulated 2 –3 weeks from now. TRC is working on a document that will become a program description. He hopes to present it and talk about it at the next EE Committee meeting and get comments on it for the Agenda after that.
10. Proposed True-Up Board Order (Mike Ambrosio) – Staff circulated proposed revisions to the budget on March 9th. The budgets that he is going to go over in this meeting later where part of the document that circulated on March 9th. Staff asked for written comments by COB on Friday, March 18th. This is scheduled for consideration by the Board on the March Agenda. They will take comments on it today, but written comments must be submitted by COD on Friday, March 18th.
 - a. Revised 2011 Budget Spreadsheet circulated.
 - 1) Questions – Large Energy Users Pilot what is it? Mike Ambrosio noted that the states largest users could submit plans for what they are doing in their facilities. What they have asked for is to be able to self finance projects up to the amount that they pay into the fund for their energy efficiency measures. Essentially a self directed program. Concept is still in its early stages. Hope to have a specific proposal at the next April Committee meeting. Alice Napoleon asked how many businesses this would cover. Mike responded that they do not have an exact number right now, but estimating that with \$20M they are probably talking about 25-50...Still too early to say and going through the details. One example Mike gave is that Verizon is probably the largest in state. However, they are not in single site, so in aggregate they are probably the biggest user, but this is not the type of project they are targeting. They want to try and address single site users. There would be a need to identify this in the application process.
 - 2) Anne-Marie Perracchio commented that she thought it was a really a wise decision having a separate funding source for the large energy users.
 - 3) Anne-Marie Perracchio commented on the budget spreadsheet and the CHP and TEACH lines and Mike Ambrosio responded they were not updated yet.

Utility Updates

1. NJNG, Bob Kudrick - About 6,700 customers for the \$900 rebates, as well as have performed home audits on them. Started the On Bill Repayment Program on January 19th and have had about 47 applications with about a dozen rejected because of credit. There is a lot of interest in this program and seems to have gotten them a lot of good will with customers. Expect a drop off, but have not seen any yet. Anne Marie Perracchio added that their O-Power Pilot Program is also part of the RGGI filing and they have been working hard to get it done in an expedited time frame and starting last week letters went out. Customer feedback is happening.
2. SJG, Bruce Grossman – For Home Perf in Feb there were 691 loans against a goal of 320. About 790 applications and still working through them. For the Enhanced Rebate Program for furnaces it is just under 1,600 paid and about 1,800 in total so there are about 200 being reviewed by staff. All in all they are still seeing some traction in both the residential programs. For the Direct install Program they are seeing a lot of traction in this program as well and are working with TRC. For actual rebates for C/I, there are now somewhere around 12 and some have been fairly sophisticated and large. Did their first P4P job in early 2011. They are cautious with some of the Home Perf changes as to what happens in the balance of this year.
3. RECO, Scott Markwood – They filed and will finally have agreement which will let them extend their economic stimulus initiative. The results are very good for low income program and they are significantly under budget and actually over served the original targeted volume. The Enhanced Rebate Program is for central air conditioning that must meet COOLAdvantage requirements, but also have a HP audit. This was a little slow to kick off, but they have seen traction. As a side bar benefit, they have had a few contractors wanting to become BPI certified after learning about this program.
4. Etown, Cheryl England – Has seen a big uptake on thermostats (1,100) and weatherization kits (little less). On the Enhanced Rebate Program they have had approx. 800-900 for boilers and furnaces and received about 100 for tankless and storage tank water heater units.

Commercial/Industrial Programs

Presenters: Roger Kliemish and Brian DeLuca (TRC)

Presentation/Handout – C&I Market Manager EE Meeting Presentation March 16, 2011

1. Retrofit Completed –Question – Does TRC have energy savings per project? Brian DeLuca responded that yes there is info. available, but he just did not have here for this meeting.
2. LGEAP Approved Audits - Many are going to the Block Grants and DI they have lowered. Trending is on target and they expect to see it jump in the later part of year, partially as this is a precursor to EECF they may see more activity. Metrics on presentation.
3. P4P Existing Buildings -Approved ERPs – (2011 goal of 36). Only 1 for Jan but do expect more activity.
4. P4P New Construction – Goal of 6 for this year. None for January, however, P4P metrics that are in the presentation which shows does show backlog. These metrics pages are showing what they have and have not been able to go through yet for Feb.
5. Direct Install Completed Installations – Goal of 1,500. This is going to increase significantly up over the next couple of months at the very least. Project activity levels in presentation.
6. Recap of Annual Goals in presentation.
7. What's in Play:
 - a. Local Government entities are less than or equal too 100kW moved to Direct Install.
 - b. P4P lowered to greater than 100kW with new 50/50 incentive.
 - c. P4P Partner performance metrics are being developed.
 - d. P4P large customer option (less than or equal to less than or equal to 750kW)
 - a. Cheryl England asked about SmartStart program goal. Brian responded it is 1,675.
2. Prescription Lighting detailed in presentation.
3. 2010 – 2011 ARRA Status - EECBG – Status, operations plan and goals is in the presentation.

Residential Programs

Presenters: Dave Wolk (Honeywell) and Joe Gennello (Honeywell).

Handout: 2011 Energy Savings by Program Spreadsheet & Residential Programs Progress toward Goals Statewide Results YTD February 2011

1. 2011 Energy Savings by Program Spreadsheet (Joe Gennello) – Updated energy efficiency by program and volumes by program. With change in carryover, made minimal changes.
 - a. Mike Ambrosio asked about multi family vs. single family activity. Joe responded that there seemed to be more consistency in the multifamily market.
 - b. Mike Ambrosio asked for details on the upstream incentives. Joe responded that these are small scale programs that are still more at the consumer end, so these are pilot programs try and find ways to get away from the end user being the consumer and more towards the upstream incentive. There are difficult issues to work through in developing these programs.
 - c. Mike Ambrosio – How is the Home Performance activity doing? Is activity picking up and do we have a number that is achievable? Joe Gennello responded that we are at about 212 new participants right now and our completions are at 442. Slightly under goal of 500. Joe Gennello commented that they have heard feedback on marketing and options and incentive rates, especially the 25% Tier at \$4k and are tracking feedback. Overall, what they are hearing is that these offerings should work.
 1. Brian Bovio commented that the HVAC industry was flat for Jan & Feb which is normal. He commented that sweetening up the incentives a little probably could help a little, even if it is temporary such as a spring promotion.

2. Mike Winka asked if there is something they can do on the Utilities side to drive up activity in Home Performance. Anne Marie Perracchio and Bob Kudrick say that the majority of the market is non-BPI certified contractors. For example, in the NJNG territory 50 are BPI certified vs. 650 that are not. They added that they are working more with EHCC on trying to facilitate trainings to get more BPI certified contractors. Brian Bovio added that helping with training costs can help entice new contractors.
3. Mike Ambrosio asked that this program activity be monitored closely to see if there is a need for program changes later.
4. Jim Price, on the phone, noted that people from different territories are asking for the audit after the fact. If you try and get them to know about it up front, it will drive the contractors to partner with BPI or get BPI more.
 - i. NJNG does not have that messaging issue as they do the audits themselves so the message goes out about getting the audit as well as other options.
 - ii. Joe Gennello mentioned also there are other situations such as emergency jobs that are not an opportunity for getting the Home Performance audit first.
 - iii. Janja Lypse added that they do want to provide more training on how to sell Home Performance.
 - iv. Mike Ambrosio advised to really look into how to get more contractors to be BPI certified.
 - v. Nicholas Hernandez from Clean Edison said they have sales training and marketing available through EHCC. Dave Wolk asked him or Jill Sherako from EHCC to keep the Market Manager up to date on that.
 - vi. Angelo Cristofolo commented that so much is about public awareness. For examples, he is seeing more activity because of the advertising the NY program is doing.
- d. Mike Ambrosio asked about the multi-family front as he was a little surprised by the estimate of ~800 and thought with being able to get 100's/1000's in sites/complexes this number would be higher. Per Joe Gennello, it would be great to have more numbers but ultimately raising money is the issue. He believes right now it is the appropriate number with the budget in place.
- e. Residential Programs Progress toward Goals Statewide Results YTD February 2011
 1. Per Joe Gennello, the SEEARP completions will be committed in April or May. Joe Gennello will keep everyone posted on this activity.
 - i. Mike Winka said there was an article that talked about how many states spent the money quickly. He wanted to comment that we are spending the money more wisely and had a better approach with a sustained program and still are spending and have jobs, etc. Joe Gennello added that we also had a lot of programs already in place that those states implemented.

Home Performance

Presenters: Janja Lypse

Handout: Home Performance with ENERGY STAR® March 15, 2011.

1. ARRA - Mike Winka stated that they want to spend all the money and not have any left over. Mona Mosser added that there needs to be constant discussions to ensure this is going to happen.
 - a. Mike Ambrosio wants to make sure there are more regular conversations about reporting on the budget noting possibly weekly even. Joe Gennello responded that what is being done now is manually intensive and wants clear direction as soon as possible. Ambrosio responded that the problem is, is that it is always flexible number. Joe Gennello responded that they are already at goal and the question is – are we going to go above that number or not?

2. Mike Ambrosio commented that in their role as a PC they get disputes. He says he has seen a few lately where customers are complaining that contractors are coming out to the home and telling them they can do both the HP and also receive WARM/COOL rebates. Is there something new going on or some consistency maybe in these complaints? The Market Manager team responded that they believe they are aware of the issue and there is a common thread, but asked that Mike sends them the detail so they can look into.

Other Business, Next Meeting

- Eastern Heating and Cooling Council (Jill Sherako) – Brief review of a slide on EHCC updates.
- Anne Marie Perracchio noted that if anyone has not had an opportunity to see a TechniArt lighting fair they are hosting one on April 8th that is open to the public at their headquarters.
- Next Meeting – Tuesday, April 12th.

Attendees:

Name	Company	In Person	By Phone
Ambrosio, Mike	AEG	X	
Berlin, Jake	Willdan	X	
Bovio, Brian	Bovio Heating	X	
Bryant, Elaine	PSE&G	X	
Carpenter, Joseph	NJ DEP	X	
Chaplin, Dawn	Honeywell	X	
Cristofolo, Angelo	Air Group LLC	X	
DeLuca, Brian	TRC	X	
Dolan, Brian	Intellidyne	X	
Flannery, Mike	MaGrann	X	
Foster, Rebecca	VEIC	X	
Gennello, Joe	Honeywell	X	
Grossman, Bruce	SJG	X	
Hambric, Steve	Opower	X	
Heise, Dani	Techniart	X	
Hernandez, Nicholas	CleanEdison	X	
Hoff, Kim	CSG	X	
Holland, Dave	Honeywell	X	
Holmes, Bill	SJG	X	
Kass, Lloyd	Willdan	X	
Kliemish, Roger	TRC	X	
Lewandowski, Kurt	NJ Rate Counsel	X	
Lupse, Janja	CSG	X	
Markwood, Scott	O&R	X	
Mosser, Mona	BPU	X	
Navarra, Joe	HVAC Consulting	X	
Pecora, Tom	Honeywell	X	
Perracchio, Anne-Marie	NJNG	X	

Reisman, Ron	RHR Communications, LLC	X	
Rivera, Alma	BPU	X	
Schmidt, Ed	MCR	X	
Swift, Don	CSG	X	
Teng, Elizabeth	BPU	X	
Winka, Mike	BPU	X	
Wolfe, Sharon	BPU	X	
Wolk, Dave	Honeywell	X	
Brown, Mike	MaGrann		X
Deangelis, Diana	Pepco		X
DeSiena, Debbie	Beehive Heating and Cooling		X
Donadio, Tom	JCP&L		X
Donohue, John	Fuel Merchants Assoc		X
England, Cheryl	Elizabethtown		X
Glover, Kristian	Honeywell		X
Hutchinson, Ed	Hutchinson Mech. Services		X
Kuhn, Nikki	VEIC		X
MacCarrigan, Fran	Tozour Energy Systems, Inc		X
Makowiecki, Colleen	FirstEnergy Corp.		X
Manning, Jamison	FirstEnergy Corp.		X
Napoleon, Alice	Synapse Energy Economics Representing Rate Counsel		X
Neubauer, Franklin	Core Metrics		X
Price, Jim	Freedom Solar		X
Wetzel, Linda	AEG		X