

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
Tuesday, May 11, 2010
Hosted by TRC-BPU, Trenton**

Attendees:

Mike Brown (MaGrann Associates/RNC); Kim Hoff, Maria Grazul, Mary Jo Boyd, Don Swift, Janja Yypse and Julie deSeve (CSG); Sam Valora and Bruce Grossman (South Jersey Gas); Rick Marx (EAM Associates); Sirajuddin Shaikh (JCP&L); Brian Dolan (Intellidyne); Brian Bovio (Bovio's Advanced Comfort & Energy Solutions); Anne-Marie Peracchio and Bob Kudrick (NJ Natural Gas); Scott Markwood (RECO); Deane Evans (NJIT); Joe Gennello, Dave Wolk and Tom Pecora (Honeywell); Ashley Miller, Brian DeLuca and Roger Kliemisch (TRC); Gabe Nathanson (NJ HMFA); Sharon Wolfe, Mona Mosser, Sherri Jones, Peg Gallos and Mike Winka (BPU); Linda Wetzel and Mike Ambrosio (AEG)

Via Phone:

April Guillerme (Honeywell Market Manager Team); Jim Price (Freedom Solar Energy); Diane Zukas, Ben Jackal, Don Flynn and John Malanga (TRC); Joe Navarra (Joe Navarra HVAC Consulting); David Hoh (DH Services Group); Fred Hauber (Eastern Energy Services, Inc); Kurt Lewandowski (NJ RPA); Arthur Pearson (The E Cubed Company); Rich Valentino (White Gate Homes); Ronald Reisman (BPU); William Holmes (South Jersey Gas); Marianne Graham (EPA Energy Star); Rachael Fredericks (PSE&G); John Donohue (Fuel Merchants Association); Walt Sparrow-Hood (PSE&G); Chris Bitters (EnergySolve); Diana DeAngelis (Atlantic City Electric); Darren Molnar-Port (NJ DCA); Spencer Hamilton (Shore Green Energy); Scott Schoen (Beehive Heating & Cooling); Jay Murdoch (WellHome); Jim Ianello (Alpine Heating & Cooling); Jason Huang (NJ Resident)

Introductions

Program Coordinator and Regulatory Updates

(Mike Winka, Mona Mosser and Mike Ambrosio)

1. Sustainable Energy and Economic Policy Forum

- a. There is a need to revisit the Energy Master Plan (EMP) due to the cost of natural gas and other factors. Changes to the input values need to be calculated in order to reflect the current state of the economy. It is not anticipated that there will be a major change in the goal area, but possibly a change in the minor or sub-goals. The goal is to have a draft available of the EMP within 90 days of the end of the year.
- b. Staff is also looking at the restructuring of NJCEP and how to deliver the incentives in a more cost efficient and timely manner.
- c. (Ambrosio) NJCEP Administrative Structure
 - i. Timing for the consideration of a new administrative structure is targeted for September which will give enough time to focus on the 2011 budget.

- d. The starting point for the 2011 budget is \$242.5 million. Last year's funding had at least \$100 million that carried over to this year. This year's uncommitted carry over will be close to none for next year.
- e. NJNG-\$25 million for NJ Shares, when is the payment due for this fiscal year? This will be determined through the state budget but there isn't much of a need for this payment in July.
- f. RGGI dollars are going away so it may be more difficult to stretch out payments.
- g. CHP projects that don't meet the deadline due to filing for permits and such may not be constructed or completed.

2. Updates on Filings, Board Orders and Regulatory Items

3. State Economic Stimulus Plans

4. Federal Stimulus Funding

- a. There will potentially be a restructuring of the NJCEP budget due to the pressures from Home Performance.
 - i. Some funding levels might be scaled back
 - ii. It might be beneficial for the program to put all of the funding together and then reallocate it as needed
 - iii. EECBGs will be given to 512 municipalities throughout the state from the federal stimulus funding
- b. The timeline for making all of these decisions is soon and nobody should expect to have the same budget that they currently have; everyone will have to take a hit with this

5. ARRA Activities

- a. (Ambrosio)-Direct Install program is taking off quickly but in terms of the EECBG, we don't want municipalities to apply for Direct Install and then the EECBG and have to tell them that we're out of money
 - i. We might want to revisit the 80%
- b. (Mosser)-We need to have a conversation about implementation of ARRA with Home Performance
- c. (Ambrosio)-Even if they take the proposed \$77 million from the budget, we still have enough to continue with a very substantial program with a potential budget of \$240 million
 - i. SREC program seems to be working well and relying less and less on the rebates and more so on the actual SRECs
 - 1. Renewables were half of the budget just a few years ago
- d. (DeLuca)-In Jackson Township we're looking to install energy efficient street lights which would be a retrofit to the head of the light
 - i. There is potential to move forward with this and to explore what options are available to them especially since they are a direct recipient of the EECBG
 - ii. It would involve the utilities and the town because they don't own the fixtures
 - iii. NJCEP funds could be more cost effective if allocated elsewhere within the program

Utility Updates

- 1. (SJG)-Until recently Home Performance was very successful, with a definite spike in application submittals. 229 loans closed at the end of April.
- 2. (NJNG)-There were 2,050 audits performed and over 1,955 rebates were paid out for the month.

- a. 10 contractors were selected for seal up work
- b. Will contribute \$7 million to the Home Performance funding
- c. Home Performance temporarily suspended but still working with the rebate portion of the program
- 3. (Rockland)-There is now an online audit option on the website that has a contractor behind the scenes.
 - a. The customer needs to get an audit to participate and there are firms out there that will just perform the \$125 audit if necessary.
- 4. (PSE&G)-Launched a pilot program where about 40 customers have completed the tier 3 rebates.
 - a. They're trying to figure out what is holding customers back from continuing to tier 3.

Residential Program Updates

(Honeywell Team)

- 1. Current Program Results
 - a. There are about 650 applications in house and being processed in addition to the ones that are close to completion
 - b. Most of the applications have been submitted from April 1st to the present due to the warmer weather
 - c. People will be turning to the Warm and Cool Advantage Programs due to the lack of rebates elsewhere
 - d. Warm Advantage participation budget is based on the carry over expectations from last year
 - i. There are about 1800 additional applications in-house at this time
 - ii. Trending 166% of last year
 - e. Washers are a very strong part of the program with 10,000 completions and even the dehumidifiers are doing well also
 - i. As of June 1st the washer rebate will drop to \$50
 - f. (Ambrosio)-Is the rebate moving people to purchase this equipment?
 - i. Honeywell will come to the next meeting with information and numbers to report on this
 - g. Refrigerators
 - i. 6,416 pickups scheduled YTD
 - ii. 4,759 pickups completed YTD
- 2. Home Performance Update
 - a. The main reason people are being denied loans is due to credit score
 - b. (Mosser)-The debt to income ratio is also a huge reason for the denied loans

Commercial and Industrial Program Updates

(TRC Team)

- 1. Current Program Results and Trends
 - a. (Mosser)-What is holding up ARRA with Direct Install?
 - i. Contractors had to acquire certain licensing in order to perform this work without going out to bid
 - ii. There are two contractors that are currently waiting on the licensing
 - 1. Lime Energy
 - 2. Tri-State Light & Energy

- b. How many municipalities are going to use the Direct Install program?
 - i. There are options for the municipalities so it depends on their buildings and what their specific needs are when choosing which program to utilize
- c. (Ambrosio)-Should we consider waiving the 200 kWh max demand for municipal customers so that we can ensure they can go through the Direct Install program with the EECBG?
 - i. PSE&G waived the cap for municipal customers because they wanted to be able to fit high schools in the program
 - ii. Waiving the cap for municipal customers will be handled on a case by case basis
 - iii. (Ambrosio)-For municipal customers we should waive the requirements and possibly propose to the BPU changing the incentives for Direct Install
- d. (Mosser)-What about shell measures with EECBG?
 - i. Was retro commissioning proposed in the last order or was it denied in the last straw proposal?
- e. Within LG&E, are the audits that are completed coordinated into a database?
 - i. They're being posted to the website once they are completed

Other Business/Next Meeting

- 1. June 8 is proposed date for the next meeting
 - a. Moved to June 10 due to scheduling conflicts