

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
Tuesday January 12, 2010
Hosted by the BPU- Trenton, NJ**

Attendees:

Yennaira Ortiz (Honeywell)	Ben Jackal (TRC)	Dave Holland (Honeywell)
Joe Gennello (Honeywell)	David Wolk (Honeywell)	Steve Leone (Spiezle Group)
Tony Pugliese (ETG)	Roger Kliemisch (TRC)	Mary Sheehy (NJ HMFA Green Homes)
Elaine Bryant (PSE&G)	Fred Hauber (Eastern Energy Services)	Brian Bovio (Bovio HVAC)
Sharon Wolfe (BPU)	Deane Evans (NJIT)	Gary Minkoff (Above and Beyond)
Gabe Nathanson (NJHMFA)	John Martin (ProTech Energy)	Clif Payne (Piedmont Associates)
Mike Ambrosio (AEG)	John Donohue (Fuel Merchants)	Brian Dolan (Intellidyne)
Dale Congo (5 Street Renewable Energy)	Randy Besman (Skyline Energy)	Julie deSeve (CSG)
Eileen McGinnis (CMC)	Jamal Garner (BPU)	Siraj Shaikh (JCP&L)
Joe Carlamere (TRC)	Peg Gallos (BPU)	Ron Reisman (BPU)
Chris Bitters (Energy Solve)	Rob Austin (DCA)	Joe Carpenter (DEP)
Scott Sillars (Isles E4)	Mona Mosser (BPU)	Kimberly Hoff (CSG/Honeywell)
Ruben Brown (E Cubed LLC)	Maria Grazul (CSG/Honeywell)	Linda Wetzel (AEG)
Michael Brown (MaGrann Associates)	Jeffrey Miller (Lee & Associates)	

Via Phone

Nikki Kuhn (Vermont Energy Investment Corporation)	Cheryl England (ETG)	Diana DeAngelis (Pepco Holdings Inc)
Colleen Kling (TRC)	Gregory Marquis (Pepco Holdings Inc)	April Guillerme (Honeywell)
Valentina Rozanova (TRC)	Kurt S Lewandowski (Public Advocate)	Alice Napolean (Synapse Energy Economics)
John Malanga (TRC)	Marianne Graham (ICF International)	
Dawn Chaplin (Honeywell)	David Hoh (DH Services Group)	

Introductions

Program Coordinator and Regulatory Updates

Presenters: Mike Winka and Mike Ambrosio

Board order authorizing 2010 Program Budget filing was signed December 17th, the budget passed

- Approved with final data to come on pool pumps
- The **2010 program filing** is available on the website www.njcleanenergy.com
- Honeywell and TRC will report on changes to the program in their presentations
- Contract modifications will be coming through for: ARRA, Davis Bacon, Prevailing wage
 - Most changes will be done quickly, without formal contract modifications
 - We will proceed with the programs as the modifications occur

State Economic Stimulus Plans

- The utilities will provide more details in their presentations

Utility Coordination

- There will be a coordination meeting this Thursday January 14th

- Utility programs and the Clean Energy Program should appear seamless to the customer
- AEG has spent a significant amount of time with the utilities
 - Should be able to produce a single report that includes CEP, ARRA and Utility project statistics by March

Federal Stimulus Funding

- SEP in two different segments 1. Grant 20 million to state agencies, and 2. Non IOUs, Propane and Natural Gas through Direct Install and Pay for Performance
- Is the stimulus information highlighted enough on the website?
 - If it is not accessible- give concerns to Linda Wetzel

Mousy with EDA are presenting today

- Solicitation out for \$15 million for innovative projects
- Any private entity is eligible

HMFA- \$15 million

- 1) Multifamily Solar- \$7 million
- 2) Housing Loans- \$4 million
- 3) Multifamily Housing Loan program- \$4 million
 - Any Customers that were rejected in Home Performance are eligible
 - Existing Home Upgrades- Resnet System should be running by February
 - EDA's solicitation will be posted on CEP's website- Barbara Peirce

Energy Efficiency Conservation Block Grants

- Compliance filing was approved for funding
- Entity can come into program in five different ways
 - LGEA, Pay for Performance, Direct Install, Smart Start, Building Shell Measures
- 512 municipalities that did not receive direct funding from the USDoE are eligible for \$20,000 each- apply for the funding as a rebate for energy efficiency project
- Municipalities- not schools will be eligible for ARRA funds- work needs to be done on buildings owned by municipality to eligible for \$20,000 block grants

SEEARP- Appliance Rebate

- Approved in December- Oil, Municipalities, HVAC rebates
- To Be announced when applications are ready, program run by Honeywell
- January launch, statistics by the first quarter

ARRA Activities

- Lance Miller is no longer with the BPU, retired January 1
- BPU is putting together a team to handle ARRA requests
- Working towards having sole source of contact for communication

Oil and Propane Custom Measures

- Ramping up- \$17 million in program
- As soon as applications go out- we will have numbers as they happen

- Will have a breakout of home performance numbers as they are completed
- Format of 2010 monthly reports will need to be updated to include ARRA Projects, need to be tracked on a monthly basis
 - Nothing has been spent yet, will have numbers when payments are approved

Keeping MUAs in the loop

- TRC and Honeywell met Friday with Seaside Heights
- Working with electric utilities and propane companies
- Honeywell has been reaching out to MUAs for residential customer lists
 - Reception has been positive- Will be able to do bill inserts

Commercial Industrial Programs

Presenter: Roger Kliemisch

Commercial and Industrial Program- 2009 Results and Transition to 2010

New Construction

- 159 projects were approved through November, 91 projects were completed

Schools

- 140 projects were approved through November, 111 projects were completed

Existing Buildings

- Slowed through November, 1,297 completed projects

Pay for Performance

- 2 ERPs have been completed, 2 ERPs are under review by the board,
 - Energy Reduction Plans are the plans from the architect or engineer to meet the Program's required 15% reduction
- ERPs are taking about 6 months for partners to complete, 2 months more with review from TRC
 - 4 ERPs have been approved, 7 are currently under review
- New Construction, have received 3 applications since November
- Pay for Performance targets large projects, buildings with an annual peak demand of 200kW (new in 2010)
 - We've seen different types of buildings (hospitals, multifamily, manufacturing)
 - Caps are in place: \$1 million for each gas and electric meter, \$1 million for CHP
 - Entity cap is in place, to make sure different organizations are able to participate
- Incentives have increased for 2010 for targeted markets: hospitals
 - CHP is available under both the renewable programs and P4P

Direct Install

- Launched in December currently no numbers to report, 5 approved contractors
- 200 entities in queue, we've sent lots of leads to the contractors
- Marketed aggressively by the Utilities with events and their websites has built up demand
 - Events in Asbury Park, Long Branch, Bayshore along with roundtable events
 - South Jersey Gas has brought in non-profits- the town wide approach is effective

LGEA

- Now pays 100% of the cost of the audit up front
 - Entity agrees to do work on the back end exceeding 25% of the cost of the audit
 - Q: What does it mean that 100% of the audit fee is paid?
 - A: For example if the audit costs \$8,000, the program will pay \$8,000, but the entity agrees to do work recommended by the audit report exceeding \$2,000 within a year.
- ARRA funds can be used to cover cost of audit
 - ARRA can be used to cover cost of Direct Install or other programs, ARRA is a simple application, the goal is to get projects done quickly
- LGEA uses an RFP process to select the audit firm
 - The audit fee= the lowest bid, so the cost of the audit is difficult to predict.
 - TRC will help with the RFP process

2010 Program Changes

- Geothermal will have a tiered system of \$450-750 ton for closed/open loop systems based on the EER ratings
- Custom Technologies moving to Prescriptive: Reduced wattage T8, Refrigerant case LEDs, Occupancy controlled thermostats, fractional HP ECMS (less than 1 HP), Induction lighting
- Custom Applications:
 - Effective Feb. 1, 2010
 - Eligible projects must have first year energy savings of 75,000 kWh for electric or 1,500 therms for gas
 - Incentive cap will be the lesser of a set value of:
 - \$.16/kWh (electric) and \$1.60/therm (gas),
 - 50% of total installed project cost, or
 - Buy-down to a one year payback
- Continued movement of custom measures to prescriptive

ARRA Preparedness

- New applications are ready this week for Non-IOU
- Oil and propane applications are ready to go to local governments
- Direct Install Applications will be ready by 2/1/10
 - Q: Have you seen a withdrawal from the program because of economic conditions?
 - A: We have seen a slight increase in projects not completed after the applications were submitted, not on a large scale.
- New Application Forms for oil, propane and non-IOU electric customers available this week
- Contacts made with lead parties at non-IOU entities to educate and support customers
- Staff trained and prepared to support customers and contractors
- Training Partners and Contractors (LGEAP, P4P, DI) regarding program details/requirements

2010 Residential Efficiency Offerings

Presenters: Honeywell Team

Cool Advantage Program

- Reached about half of program's goals and 2008 totals
- Weather was colder over the summer than normal, incentive levels were decreased in June 09

Warm Advantage hit 88% of program goal

HVAC overall hit 75% of program goal and 83% of 2008 totals

- Room ACs, seasonal program, met 70% of goal

Washer program was strong- met 118% of goal

Dehumidifier program met 314% of goal

CFL now a year round program- met 59% of goal

Large Appliance Recycling program began in August

New Construction- enrollments were strong, 1,447 units in December, 3,200 completions

Home Performance Audits- Goal of 2,300 completions, 2,000 completed

- Transitioning back to contractors doing 100% of audits
- About 7,000 total completed audits in 2009
- Completions passed program goals- 708 pending; 725 in queue

Contractor Remediation Process- currently in front of the BPU

- Should be able to send feedback to contractors when they don't meet program's requirements
- Will be a probationary period when they cannot receive approval for new jobs until prior issues are resolved
- Mike Ambrosio- this is a critical issue- need to encourage contractors to take this issue seriously
 - Need to weed out participants that don't live up to program's requirements
 - Ideas should come from contractor community
 - Need to stop bad actors from affecting program negatively overall
- Would like to have some teeth in enforcement, procedures to communicate grievances
 - Have created working groups for contractors on technical issues, and program issues
 - Have scheduled monthly conference calls with all contractors- many contractors agree with this approach and would like to have measures in place

Q: Was there difficulty getting QA done for the audits? What accounts for the contractors' delays?

- There was delay, but we have added staff- getting more resources devoted
- Working with contractors to reduce the need for QA
 - First 10 projects are inspected for each contractor, then 10% of subsequent projects are inspected
- Program ramped up very quickly, probably caused delays

Q: From Mike Ambrosio, "are fat incentives driving prices of projects higher?"- addressed to contractor community, what can we do to keep prices from being inflated?

- Prices are up because of more work going in, competitors have raised prices
- How can we get encourage customers to solicit more than one bid for a project?
 - We have considered sending more information to the customers on what projects should cost
 - Should we consider caps on costs for certain types of equipment?
 - It is difficult to give customers reliable guidance because there are so many variables involved. Prices for equipment can fluctuate

- The best system would infuse the program with competition through multiple bids, that should keep prices down

Loan Activity

- 1,712 loans in 2009
- Q: How many contractors will be willing to participate in HMFA loan programs if prevailing wage is required?
 - Honeywell has sent a survey to its contractors, some have responded, waiting to compile results

Home Performance

- Goal is to get approval time down to 2 weeks
- Project load into December doubled- lots of incomplete applications, slowed the process down
- Solar program has been sending leads

2010 Program Moving Forward

Residential New Construction

- Transition to open market for rating services, target launch March 15th

R&D

- ARRA- adding incentives for lots of different appliances, climate choice homes M & V is under way, website update is in progress
- Working with retailers, will have incentive at point of purchase- expect high volumes
- April focus- tie in with Earth Day
 - TV Consumers, ee cable boxes, washers, refrigerators, dishwashers
- Green NJ Resource Team- Contracts have been awarded
- 2010 Refrigeration incentive have increased

Home Performance

- Would like the home performance program to settle in, stop changing it
 - Will send documents to contractors outlining process steps and timelines
 - Transition to 100% contractors, Honeywell had been doing about 1/3 of audits
 - Working groups developed, have processing plan developed
- ARRA Loan program launched in 2009

Community Partners

- Sustainable Jersey- alliance fully worked out- will get going in 2010
 - Communities get points for hitting milestones
 - Hope to transition from 25-30 in 2009 to 250 local govts involved in 2010
 - Working to get as wide an impact as possible with certain communities, lots of measures implemented
 - Coordinating efforts with TRC, monthly calls
- Website update in progress

Utilities Programs

Updates on the EE programs run by the utilities

Presenters: Elaine Bryant, PSE&G; Tony Pugliese, Elizabethtown Gas; Bob Kudrick, NJ Natural

PSE&G (Elaine Bryant) - 3,000 customers in the program. Completing T1 and T2 audits. Direct Install- have completed 500 audits, 41 installations. Whole building approach not just lighting. Have experienced delays in equipment delivery- will uncouple different types of measures: can complete lighting, and HVAC in stages. Hospitals- 40 participants in program- no longer taking applications- inquiries in queue. Multifamily- NJ HMFA: Three different categories: Master metered, individually metered, others

Elizabethtown Gas (Tony Pugliese) - Residential Audits, have conducted 1,000; processed 207 rebates, saw an uptick in December. C&I- 11 projects going through the program. CSG- Pursuing BPI certification of contractors in territory

NJNG (Bob Kudrick) - 750 audits have been conducted. Direct mailing sent out to 400,000 customers. HVAC contractors and suppliers have been targeted to market the programs. Hosted meetings with installers. Find prices have increased, working on ways to encourage multiple bids. Direct Install- met in Asbury Park- met with contractors, attending trade shows

General Discussion

Dean Evans, Rutgers, Developing O&M scoping study and online academy

- Working with TRC and Honeywell to answer questions that customers have- make the website more responsive, and developing video tutorials
 - Looking to scatter information across website- when customers have questions based on a particular application, tutorials should be there to help
 - Will be able to introduce tutorials in phases as they are ready, begin within the next month

Next Meeting

Tentatively Scheduled for February 9th, Location TBD