

**New Jersey's Clean Energy Program
Energy Efficiency Committee Meeting
February 22, 2016
9:30 to 12:00**

Program Coordinator and Regulatory Updates

Marisa Slaten

Updates on Filings, Board Orders and Regulatory Items

- Budget modifications were approved. Additional \$19.7M to be added to CHP, Fuel Cell, P4P-NC, C&I Retrofit, Clean Energy administrative and modifications to Comfort Partners Program. No increase in Comfort Partners but rather a realigned distribution amongst utilities.
- CHP still closed for new applications but pipeline is being worked on. Anticipate reopening it in the spring time.
- On this month's Board agenda a few large C&I projects (>\$500K) are slated to be reviewed.
- Making recommendations for RNC program, public comment period ends today. Decision is slated for March Agenda.

Program Admin Transition Updates

M. Ambrosio

- The Honeywell Market Manager team has started winding down and will finish this week.
- Starting 3/1 – AEG team will be up and ready and starting to accept new applications. Transitioning to online apps and training of online portals are underway. "All systems are go."
 - Slight payment delays on residential side, just as Honeywell is winding down, a week or 2 more than normal for the first month. System migration causing slight delays. Residential programs continue without a hitch. LGEA & Direct Install will not be starting on 3/1. TRC to release some RFPs and final approvals are pending. Anticipate starting them in the Spring.

M. Ambrosio – Thinking of changing the structure of the EE committee meetings and reporting. New IMS system will have new reporting functionality. Reviewing monthly results can be posted online. Should these meetings continue as is? Better use of everyone's time. Coordinate a discussion for next month.

Question from phone – When will marketing RFP be issued?

Marisa responded: No update as of know, hoping by end of year.

Commercial & Industrial Programs

TRC Team

- FY16 Program Results

NJ Energy Code Update

- ASHRAE 90.1-2013 replaced 90.1-2007 on September 21, 2015.
- Grace period for old code ends March 21, 2016.
- Intent to avoid the program incentivizing measures that do not meet new code.

- Proposed "bridge" program modifications for FY16.

SmartStart

- Technologies with efficiency **below** new code, customers may only apply w/either:
 - 1) Proof of equipment purchase prior to 3/21st or
 - 2) Proof of complete permit application(s) submitted prior to March 21st (if applicable).
- Technologies that continue to **meet or exceed** the new code:
Retrofit projects will be able to apply for those incentives as usual.
New Construction projects will need to demonstrate that proposed equipment exceeds the new code.

Pay for Performance

- Existing Buildings – Applications received after the code change cut-off (3/21) will need to ensure proposed equipment meets or exceeds the new code or SmartStart efficiency requirements, whichever are more stringent, where applicable. This requirement will continue into FY17.
 - New Construction – Applications will continue to be accepted through end of Program Year but only for projects that can provide proof of construction under the old building code. Program redesign will be proposed for FY17.

Large Energy Users

- Applications received after the code change cut-off (3/21) will need to ensure proposed equipment meets or exceeds the new code or SmartStart efficiency requirements, whichever are more stringent, where applicable. This requirement will continue into FY17.

Direct Install

- Program minimum equipment efficiency levels modified as needed for upcoming contractor RFP.

Local Government Energy Audit

- Upon re-launch, recommended measures identified through an energy audit are required to meet or exceed new code, or meet SSB requirements, whichever is more stringent, where applicable.

Comment by M. Ambosio – These changes that TRC just discussed, targeting April agenda for consideration of the Board. These will go out for public comment.

C&I Retrofit

- 78% of Installed Goal for MWh Savings
- 95% of Committed Goal for MWh Savings
- 28% of Installed Goal for DTh Savings
- 98% of Committed Goal for DTh Savings
- \$9.0M of budget remaining
- 82% of budget committed/paid

C&I New Construction

- 25% of Installed Goal for MWh Savings
- 99% of Committed Goal for MWh Savings
- 43% of Installed Goal for DTh Savings
- 415% of Committed Goal for DTh Savings
- \$673K of budget remaining
- 70% of budget committed/paid

C&I Direct Install

- 96% of Installed Goal for MWh Savings

- 46% of Committed Goal for MWh Savings
- 100% of Installed Goal for DTh Savings
- 55% of Committed Goal for DTh Savings
- \$10.5M of budget remaining
- 67% of budget committed/paid

C&I CHP – FC

- 20% of Installed Goal for MWh Savings
- 62% of Committed Goal for MWh Savings
- 32% of Installed Goal for DTh Savings
- 120% of Committed Goal for DTh savings
- \$26M of budget remaining – program currently suspended
- 90% of budget committed/paid

Board approved the budget reallocations. So new funding was able to cover all projects that were pending in the pipeline.

C&I Pay for Performance Existing Buildings:

- 74% of Installed Goal for MWh Savings
- 39% of Committed Goal for MWh Savings
- 92% of Installed Goal for DTh Savings
- 56% of Committed Goal for DTh savings
- \$9.3M of budget remaining
- 72% of budget committed/paid

C&I Pay for Performance New Construction:

- 75% of Installed Goal for MWh Savings
- 38% of Committed Goal for MWh Savings
- 34% of Installed Goal for DTh Savings
- 55% of Committed Goal for DTh savings
- \$4.6M of budget remaining
- 73% of budget committed/paid

C&I LGEA:

- 53% of Goal for Audits Approved
- \$1.2M of budget remaining
- 52% of budget committed/paid

C&I LEUP:

- 31% of Installed Goal for Lifetime MWh Savings
- 14% of Committed Goal for MWh Savings
- 0% of Installed & 10% Committed goal for DTh Savings
- \$6.0M of budget remaining
- 65% of budget committed/paid

C&I SEP Non-IOU:

- \$476K Available funds in DI only
- \$20,143.99 in remaining funds

C&I Environmental Benefits:

- NJCEP has helped save 1.7M metric tons of CO2.

Question: On incentives to changing out to LED, most of it is new fixture changeouts, I get concerned about taking out healthy fixtures. Not sustainable to throw all the metal away. Proven technology to do a gut retrofit, in California Title 24, stringent. Not so much insisting on new lights but retrofits.

TRC replied with: We feel that there is a good balance available to change out fixtures based on the most common lighting fixtures.

M. Ambrosio followed with: We are in the early stages of planning the new FY17 program changes. If you have comments such as this, please submit to us.

Anne-Marie Peracio asked: Re: the budget. Have we had any indication of a budget lapse for this fiscal year?

M. Slaten replied: No indication for this year. Goal for next year is to keep our funding flat.

M. Winka – Does the change in code impact the savings?

M. Ambrosio – Yes 25 to 35%. Looking at changing the intent of the program. For example, in Retrofit customer was already going to change out a fixture or equipment. Whether or not should programs be targeting existing equipment which impacts the baseline. Depends on which program where the baseline starts. Shifting the target of the programs, to those customers who would have not participated in the program without the program incentives.

Bill Palmer, Kamson – One frustration point is the stipulation of providing acceptable utility billing data. Causes extensive delays. Urge you to change this whole process where it's provided by the utility providers.

M. Ambrosio – One of the things in the AEG proposal was a strategic plan. Short term changes in FY 17 and longer term developing a multi-year strategic plan. Board staff has initiated with the utilities how the programs can better coordinate. We continue to push this and it's been a struggle. Is there a better way on the program side, is it necessary, is there a workaround? We realize it's a burden to program participants.

One of the recs in the strategic plan is to create a separate multi-family program. We will need feedback from the industry to see what works and what doesn't.

Residential Programs

Honeywell Team

- Fiscal Year 2016 Program Results
 - Maurice Kaiser stated that changes are out for comment. Today is the last day to submit comments. 3/21st change in code going into effect.
 - Unprecedented amount of enrollments submitted on or before the new FY changes went into effect. Re: Commitments – Proposing an adjustment to the commitments for remainder of this year. Budget increase in rebate bucket to enable any projects committed in this fiscal year to complete.
 - 2015 IECC Code is going into effect. Multi-family and highrise projects. Moving from 3.0 Energy Star to 3.1. Moving away from the NJ Efficient Home tier. Any home built below IECC 2015 will not be eligible for the program.
 - Changes proposed for the RESNET Software that calculates the HERS score. Summer rollout and the new MM team will have to review those changes to see if any adjustments are warranted.

M. Ambrosio – As of Friday, only 1 comment was received so far. Please provide comments if you support the changes.

M. Ambrosio - One of the proposed changes that was floated was not making commitments but paying when completed. Do we go back to the old way or does this way work better?
We don't want to tie up funds for projects that won't complete. Clear Result will be reaching out to solicit feedback as we develop FY17 programs.

M. Kaiser said call w/raters tomorrow to introduce the CLEARResult team. Honeywell will remain through March to support the program.

RNC:

- 75% of Plan for MWh Savings
- 61% of Plan for DTh Savings
- RNC Enrollments 3,186 vs goal of 5,525
- RNC Completions 2,198 vs goal of 2,665
- \$876K Budget Remaining

HPwES:

- 94% of Plan for MWh
- 120% of Plan for DTh
- Single Family completions 3,471 vs goal of 3,750
- Multi-Family 269 vs goal of 1,250
- \$13.2M budget remaining.

M. Ambrosio – There was rush and then a lull before the old incentive amounts phased out, have the lower incentives impacted the program?

J. Lupton of ClearResult – Enrollments are still slow at around 300 below our normal pace. 12% are doing 4.99% and the rest are doing 0% loans. 80% of the projects are financed with loans.

EE Products:

- 65% of plan for MWh Savings
- 67% of plan for DTh Savings
- Dryers 2m198 vs goal of 2,500
- Washers 9,170 vs goal 26,498
- Fridges 4,531 vs goal of 5,300
- Lighting 2,187,218 vs goal of 4.4M
- Fridge Recycling 4,819 vs goal of 10,250
- \$10.0M budget remaining

M. Ambrosio said that the ESTAR product transition will be live on March 1st.

He asked about the status of the refrigerator recycling program and the status of online applications.

Response was that ICF, who will be administering the ESTAR products program within the new Program Administrator structure, said that ARCA will be replacing JACO to resume the Fridge Recycling program. There are over 800 names on a list for pickups. And the Washer/Dryer/Fridge online apps will start routing to ICF this week. And the Creative partners are on board in the Lighting Program.

HVAC:

- 44% of plan on MWh Savings
 - 62% of plan on DTh Savings
 - Cool 2,533 vs goal 10,818
 - Warm 10,552 vs goal of 16,123
 - Total 13,085 vs goal 26,941
 - SEP Cool 8
- SEP Warm 424

Kevin Burke mentioned that the \$60K SEP Budget Transfer arrived and will be able to cover the backlog of existing applications. Remaining budget is \$31K.

Utility Updates

Anne-Marie Peracio spoke on behalf of NJ Natural Gas:

- No changes to the programs but they are doing a lot of outreach with attending events, going on the road.
- End of April Sustainable Business Initiatives and Home Shows.
- Running a sweepstakes for mid-April.
- EDF Funding available to expand to now cover schools and municipalities (new).
- Running contractor trainings via EHCC.

Bruce Grossman spoke on behalf of South Jersey Gas:

- Concerned about the drop in Home Performance and are looking to boost activity and discussing w/Clear Result.

Susan Buck spoke on behalf of Elizabethtown Gas:

- No changes to current programs but are planning there filing for 2017 and beyond.

M. Slaten said that BPU Staff and the utilities are meeting often to discuss their next filings.

- Sustainable Jersey representative discussed their upcoming June Summit and they are introducing a new "Gold" certification in Energy/Waste categories that municipalities can apply for.

Other Business, Next Meeting

- March Meeting – 3/24/16.

**Energy Efficiency Committee Meeting
Monday, February 22nd, 2016
NJBPU Trenton**

Name	Company	Please check off	
		In Person	By Phone
Ambrosio, Mike	AEG	x	
Benner, Mary Beth	TRC	x	
Burke, Kevin	Honeywell	x	
Carpenter, Joseph	NJ DEP	x	
DeLuca, Brian	TRC	x	
Donohue, John	On behalf of Fuel Merchants Assoc		x
Ellman, Susan	NJNG	x	
Fisk, Andrew	Clear Result		x
Foster, Rebecca	VEIC	x	
Georgi, Anthony	Honeywell	x	
Jones, Sherri	BPU	x	
Kaiser, Maurice	Honeywell	x	
Liaukus, Christine	Center for Building Knowledge		x
Lupse, Janja	CSG	x	
Marx, Rick	EAM Assoc.	x	
Palmer, Bill	Kamson Corp	x	
Perracchio, Anne-Marie	NJNG	x	
Rahikainen, Anne	GreenFaith		x
Teng, Elizabeth	BPU	x	
Teter, Carl	TRC	x	
Wetzel, Linda	AEG	x	
Wong, Douglas	BC Express Inc		x
Zukas, Diane	TRC		x

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Name	Company	Please check off	
		In Person	By Phone
Add names below:	Company		
Ken Strachian	Freeaire	x	
Dave MacIsaac	Freeaire	x	
Doug McCleary	MaGrann	x	
Ricky Gratz	O-Power	x	
M. Nole	A.E.L.	x	
Gary Fournier	Sustainable Jersey	x	
Audrey Hornick-Becker	EDF		x
Josh Velten	Aegis Energy Services, Inc.		x
Matt Kaplan	ReVireo		x
Mike Dougherty/Brian Broadley	Broadley's		x
Shamlian, Karine	Clean Markets, LLC		x
Peter Cucci	V3 Power, LLC		x