

Utility Energy Efficiency Core Programs Stakeholder Meeting

Monday, July 13, 2020

9:30 am – 12:30 pm

Via webinar



www.nj.gov/bpu



Agenda

1. Welcome & Logistics – Kelly Mooij, BPU
2. Program Administration & Working Groups – Jon Hilowitz, RECO
3. Utility Coordination & Statewide Coordinator – Peter Druckenmiller, SJI
4. Filing Development Status – Will Ellis, ACE
5. Program Structure – Todd Van Aken, PSE&G
6. Residential Programs – Anne-Marie Peracchio, NJNG
7. Multifamily Program – Anne-Marie Peracchio, NJNG
8. C&I Programs – Ed Miller, JCP&L
9. Questions and Public Comments
10. Wrap-up



Program Administration

June 10, 2020 NJ BPU Order

- ▶ Consistent administration of Core Programs:
 - ▶ Residential Programs
 - ▶ Whole home EE solutions, prescriptive incentives, efficient products, online marketplace, and appliance recycling
 - ▶ Specific opportunities for low- and moderate-income customers to access prescriptive EE incentives and EE products
 - ▶ Commercial and Industrial Programs
 - ▶ Existing buildings, including hospitals, and including prescriptive rebates, custom measures, direct install, and whole building solutions.
 - ▶ Specific opportunities that ensure access for small commercial customers
 - ▶ Comprehensive opportunities for existing commercial and industrial buildings interested in whole building EE solutions, with the exception of large energy users (as defined by the State's Large Energy Users Program), who have access to programs tailored to their specific needs
 - ▶ Multifamily Programs
 - ▶ Standalone programs
 - ▶ Comprehensive opportunities for existing buildings, including prescriptive rebates, custom measures, and whole building solutions
 - ▶ Particular attention to effectively serving the affordable and/or other low- and moderate-income and/or subsidized housing sectors
 - ▶ Minimizing/eliminating as many of the barriers to EE adoption in multifamily housing as possible
- ▶ Encourages collaborative development of additional initiatives

Working Groups

- ▶ The Order outlined the need for the following Working Groups:
 - ▶ Workforce Development Working Group
 - ▶ Equity Working Group
 - ▶ Comfort Partners Subcommittee
 - ▶ Multifamily Subcommittee
 - ▶ Evaluation, Measurement, and Verification Working Group
 - ▶ Energy Codes and Standards Subcommittee
 - ▶ Marketing Working Group

The utilities are committed to being active participants in all working groups

Utility Coordination Efforts to Date

- ▶ Actively participated in all prior stakeholder meetings to support State's objectives
- ▶ Reviewed previously filed stakeholder comments to inform coordination and program design
- ▶ Established a weekly Utility Working Group to design utility-led statewide EE programs to identify best practices and lessons learned from NJ utilities and programs in other jurisdictions
- ▶ Launched utility subcommittees to focus on specific topics:
 1. Residential - identifying best practices and measures from other states and determining program structure
 2. C&I - identifying best practices and measures from other states and determining program structure
 3. Multifamily - developing a program structure that serves all multifamily buildings regardless of size, type or metering
 4. Cost Recovery - exploring issues related to cost recovery and reviewing lost revenue recovery models
 5. EM&V - evaluating Technical Resource Manuals (TRMs) and statewide e-management systems from other jurisdictions, and reviewing Cost-Benefit Analysis (CBA) inputs
 6. Cross-cutting - identified the need for a Statewide Coordinator to support implementation of dual-fuel energy-saving programs
- ▶ Increased focus on Low- and Moderate-Income Customers and Communities

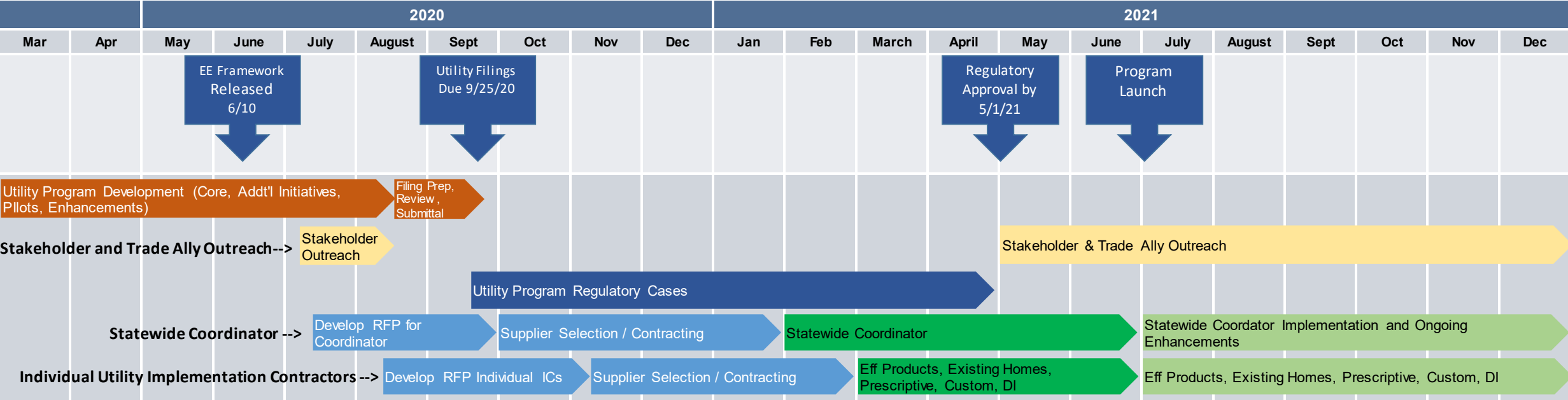
Program Coordination

- ▶ Utilities will independently run core program offerings, but coordinate to provide similar experiences utilizing, where applicable:
 - ▶ Common forms for contractors and customers
 - ▶ Contractor requirements
 - ▶ Customer and contractor engagement platforms
 - ▶ Customer and property eligibility requirements
 - ▶ Eligible measures
 - ▶ Financing availability
 - ▶ Incentive payment processes and timeframes
 - ▶ Incentive ranges
 - ▶ Quality control standards and remediation policies

Statewide Coordinator System for Dual Fuel Programs

- ▶ In addition to the common program elements shown on the prior slide, the Utilities will deliver programs that target both Electric and Gas savings opportunities by leveraging a Statewide Coordinator (SWC) system
- ▶ The SWC system will interconnect Utility systems and allocate energy savings and costs by fuel type
- ▶ Use of the SWC will benefit customers, contractors and other program allies through
 - ▶ Reduced program applications and data requirements
 - ▶ Simplified incentive/rebate process
 - ▶ Screening for certain program pre-requisites and in-process applications
- ▶ Utilities developing RFI to learn more about systems capabilities and costs to perform this new function to inform utility program filings

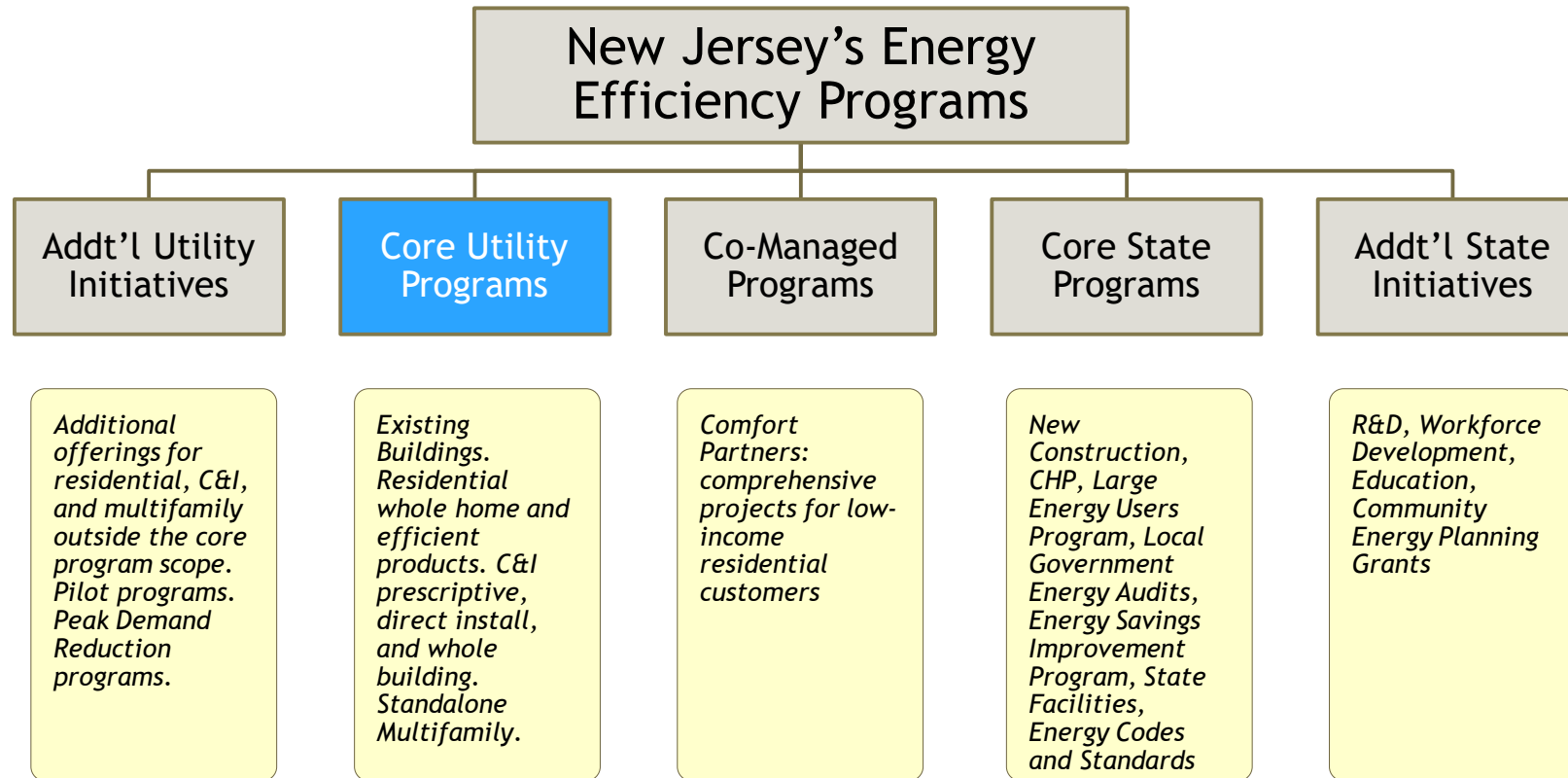
Filing Development Status



- Program Development
- Stakeholder and Trade Ally Outreach
- Regulatory
- Contracting
- Implementation Contractor
- Ongoing Implementation

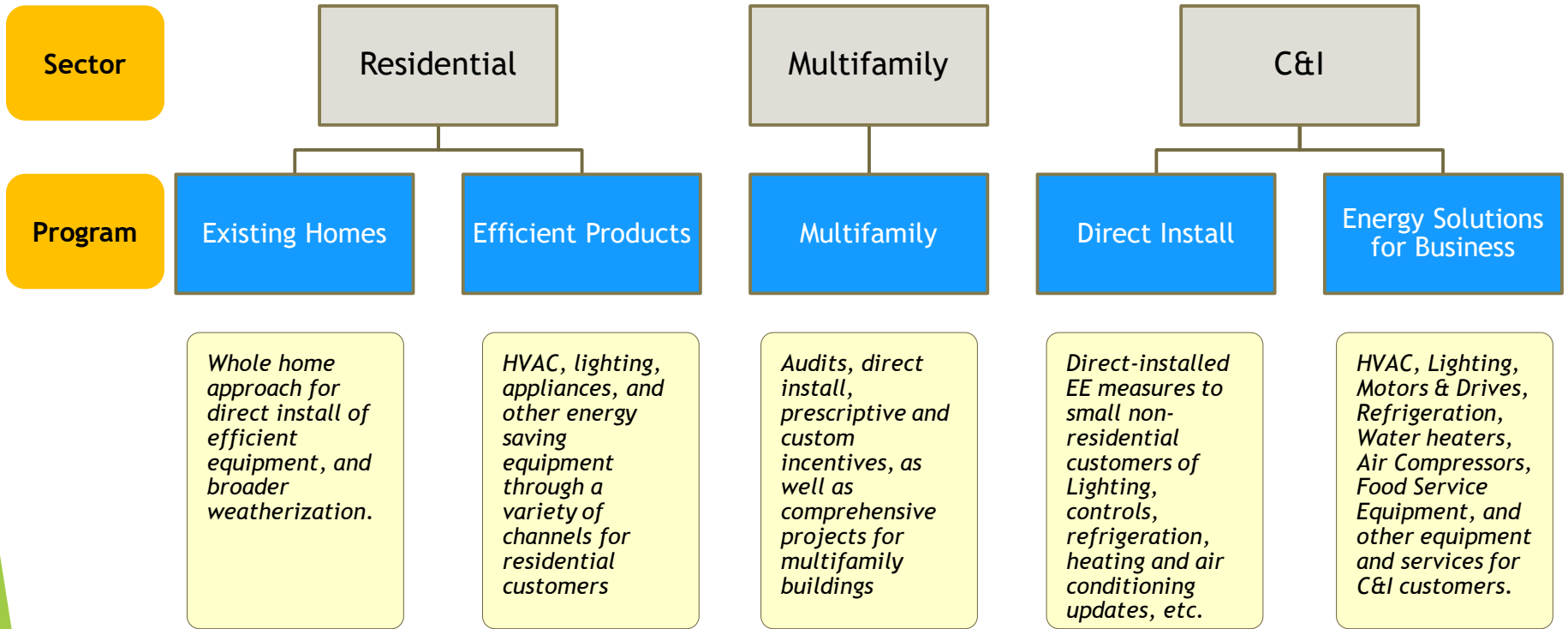
Note: One utility has already made a program filing and is already working with Staff and the other utilities to ensure coordination with the statewide effort.

Program Administration Structure



The core utility programs represent one piece of the statewide program. Achieving the goals at a statewide level will require high performance of the entire statewide program, including additional utility-led initiatives, co-managed programs, State-led programs.

Utility Programs



The utilities will address key customer segments and participation pathways through consistently delivered core utility programs and additional Utility-led initiatives to provide comprehensive solutions for their customers.

Sector- Residential Program- Existing Homes

Whole home approach for direct install of efficient equipment, and broader weatherization

- ▶ Approaches
 - ▶ Home Performance with ENERGYSTAR
 - ▶ Quick Home Energy Checkup (QHEC)
 - ▶ Moderate Income Weatherization Program
- ▶ Channels/Approach
 - ▶ Trained auditors providing QHEC
 - ▶ BPI Contractors for installation
- ▶ Incentives
 - ▶ Free low cost measures in QHEC
 - ▶ Free weatherization in Moderate Income Program
 - ▶ Include a mix of rebates and access to financing for comprehensive projects

Key Considerations:

1. Use QHEC to generate leads for comprehensive upgrades
2. Encourage QHEC as solution for renters
3. Looking to develop extra incentive or special financing terms to make improvements more affordable for LMI customers
4. Leverage the Statewide Coordinator system for cross fuel projects

Sector- Residential

Program- Efficient Products

Incentives for HVAC, lighting, appliances, and other energy saving equipment through a variety of channels for residential customers

- ▶ Measure Categories
 - ▶ HVAC
 - ▶ Appliances
 - ▶ Retail Products
 - ▶ Appliance Recycling
- ▶ Channels/Approach
 - ▶ Retailers
 - ▶ Online marketplace
 - ▶ Contractors/Distributors
- ▶ Incentives to include a mix of rebates, buydowns, midstream and access to financing depending on the measure

Key Considerations:

1. Look for opportunities to improve personalization of future offers and advice
2. Opportunities for midstream approach for HVAC and other select products
3. Encourage bundling of measures
4. Looking to develop extra incentive or special financing terms to make measures more affordable for LMI customers

Sector- Multi-family Program- Multi-family

Audits, direct install, prescriptive and custom incentives, as well as comprehensive projects for multifamily buildings

- ▶ Initial energy assessment with installation of basic measures to engage building owner/manager and determine energy efficiency opportunities
- ▶ Services
 - ▶ Comprehensive Projects
 - ▶ Prescriptive and Custom Measures
- ▶ Channels/Approach
 - ▶ Participating contractors
 - ▶ Engineering Firms
- ▶ Incentives
 - ▶ No cost assessment with installation of basic energy savings measures
 - ▶ Incentives and access to financing to promote recommended energy efficiency improvements

Key Considerations:

1. Meet the specific needs of each customer based on an initial energy assessment
2. No cost assessment and incentives designed to encourage participation and recommended improvements
3. Encourage more comprehensive projects
4. Provide On-Bill Repayment Programs or access to financing
5. Include special treatment for low income/affordable housing properties
6. Provide a path for emergency equipment replacement

Sector- Commercial Program- Direct Install

Direct-installed EE measures to small non-residential customers of Lighting, controls, refrigeration, heating and air conditioning updates, etc.

- ▶ Turnkey solution to meet needs of small to midsize commercial customers
- ▶ Coordinated solution for electric and gas measures
- ▶ Channels/Approach
 - ▶ Participating Contractors
- ▶ Incentives
 - ▶ No cost for initial assessment
 - ▶ Significant up-front incentives and access to financing to promote recommended energy efficiency improvements

Key Considerations:

1. Simple approach to engage these customers
2. No cost assessment ensures no risk to learning about opportunities and incentives
3. Considering higher eligibility limits
4. Include bonus for UEZ, LMI, Muni, School
5. Leverage the Statewide Coordinator system for cross fuel projects

Sector- Commercial

Program- Energy Solutions for Business

HVAC, Lighting, Motors & Drives, Refrigeration, Water heaters, Air Compressors, Food Service Equipment, and other equipment and services for C&I customers.

▶ Approaches

- ▶ Commercial measures - prescriptive and custom
- ▶ Engineered Solutions
- ▶ Strategic Energy Management
- ▶ Retro-commissioning

▶ Channels/Approach

- ▶ Contractors and distributors
- ▶ Engineering Firms

▶ Incentives

- ▶ Incentives include rebates, buydowns, midstream and/or access to financing depending on the measure

Key Considerations:

1. Encourage bundling of measures
2. Bundled incentives along with different approaches to promote whole building solutions
3. Launch new approaches that can generate significant energy savings without capital upgrades
4. Include bonus for UEZ, LMI, Muni, School
5. Leverage the Statewide Coordinator system for cross fuel projects

Structured Q&A

Discussion Questions - Existing and Planned Programs

1. What challenges exist under New Jersey's energy efficiency programs today?
 - a) What is the impact of these challenges?
 - b) Who is impacted?
 - c) How could they be addressed?

2. What are the program services or elements that you believe are most important and conversely least important to help the program administrators address barriers to participation or meet their energy savings goals?

Discussion Questions - Issues of Equity

3. How can New Jersey's Energy Efficiency programs address issues of equity?
 - a) Beyond the existing Comfort Partners program, what other programs can help support low-income customers?
 - b) What solutions are needed for moderate income customers?
 - c) What are some suggested methodologies for evaluating programs that might blanket greater incentives to customers in LMI communities and within Economic Enterprise Zones, instead of requiring customer verification of income and other sensitive information?

Discussion Questions - Workforce Development

4. How can New Jersey's Energy Efficiency programs help to create jobs?
 - a) What are the biggest needs of the existing workforce in NJ?
 - b) What training is needed to help build a stronger workforce tomorrow?
 - c) How can workforce development programs help to support vulnerable communities?
 - d) Have you seen any good models/pilots in other states or from other industries that we should consider?

Discussion Questions - EM&V

5. As the Board is working to establish the EM&V working group, what are some recommendations to apply changes to program and portfolio evaluation during the program cycle?
 - ▶ During the Filing Requirements and EM&V Stakeholder Meeting in Dec. 2019, stakeholders requested an e-file system to be better able to intervene, comment, and participate in the filings. This system is being developed by the Board. Would a similar system but for EM&V resources, like an e-TRM system that exists in Massachusetts where the State, utilities, and others are actively involved in updating measure savings data and EM&V processes, be of interest to Stakeholders in NJ?

Discussion Questions - Transition

6. All parties are interested in avoiding any disruption to the existing EE market in New Jersey.
 - a) Is there anything specific you think the NJCEP should consider from a transition perspective?
 - b) Is there anything specific you think the utilities should consider from a transition perspective?

Stakeholder Feedback

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