New Jersey Natural Gas

VIA ELECTRONIC MAIL (publiccomments@njcleanenergy.com)

May 20, 2011

Ms. Kristi Izzo, Secretary
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

RE: Request for Comments regarding the May 12, 2011 Summary of Proposed Program Plan Changes

Dear Ms. Izzo:

New Jersey Natural Gas ("NJNG") has reviewed the Summary of Proposed Program Plan Changes for New Jersey's Clean Energy Program ("NJCEP") circulated by Office of Clean Energy ("OCE") on May 12, 2011. NJNG would like to submit comments on the following key areas:

- NJNG strongly supports to the proposal to allow the savings from domestic hot water heater replacements be included in the Total Energy Savings calculations for Tier 2 of the Home Performance with Energy Star (HPwES) program. Through NJNG's energy efficiency program, The SAVEGREEN Project™, NJNG has already performed more than 8,400 HPwES audits for customers that initially installed a high-efficiency furnace or boiler replacement, but did not begin on a proactive HPwES path. Despite the fact that the NJNG audit identifies the additional opportunities for savings within the home, many of these customers are not moving forward with those additional recommendations and we believe the lack of financial incentives has a significant influence on the customer's decision. While some customers have been able to generate sufficient savings to participate in HPwES, as a practical matter most homeowners do not reach the 20% energy saving threshold to qualify for HPwES Tier 3 incentives since they had already installed high efficiency heating equipment through the WARMAdvantage program. As such, this segment of customers was effectively left with no incentive available for other equipment upgrades. The current proposal to include water heater energy savings to reach the 10% energy savings necessary for Tier 2 incentives will dramatically increase the number of customers eligible to access the incentives in HPwES and should lead to a higher participation

rate. NJNG will highlight this better opportunity in both our communications materials and our direct interaction with customers at the time of our HPwES audits.

- While not reflected in the May 12, 2011 proposal, NJNG notes that earlier discussions at the monthly NJCEP Energy Efficiency Committee meetings also referenced the potential to consider including the value of the high-efficiency furnace or boiler installation through the WARMAdvantage program into the calculation of energy savings for the HPwES program. We recognize that such a review would need to consider the technical considerations of calculating such savings, the potential for software changes, and a deduction for the value of rebates already earned; however, we believe that this concept is definitely worthy of the additional review. The overwhelming majority of customers still start on a replacement decision path rather than taking a proactive approach to replacing less-efficient equipment. A change to include the energy savings from participation in WARMAdvantage would dramatically increase customers' opportunities to achieve cost effective "whole house" savings. Further, much of the "whole house" work represents actions that a homeowner would not take in the absence of the program (e.g. seal-up work). Therefore, growing the "whole house" market represents an economic development opportunity for many small to medium size HVAC firms within the state.

- NJNG also supports the Summer Promotion concept. The 2011 program results clearly demonstrate that the HPwES market has slowed significantly. This Summer Promotion offer should encourage more customers to take action to access this increased incentive value, promote a sense of urgency, and provide a jump start to getting the HPwES market back on track toward program goals. We further support positioning the Summer Promotion as a special discount at the end of the participation process rather than as an adjustment to the rebate levels for each Tier. Any such adjustment could have contributed to customer confusion as they encountered dated materials. It is easier to convey the nature of a limited time offer to customers than to adjust the incentive levels up and back down in such a short period of time.

- In addition, NJNG strongly encourages the BPU to consider extending the term of the Summer Promotion period through September 30, 2011. As a practical matter, consideration of this promotion at the June 15 Agenda meeting provides the market with little time to respond. In light of the lead time needed to prepare and distribute communication materials for both contractors and utilities, a good portion of the summer months would be lost. NJNG intends to aggressively promote any Summer Promotion for HPwES but the current approval date of June 15 effectively eliminates the ability to promote it through one of the best channels for reaching customers, our billing envelope. On June 15, our July communication materials are already finalized and while there may be a possibility of referencing the added incentive within our August customer newsletter, we would not be likely to do so because of the nature of cycle billing which would have thousands of customers receiving information on the offer after it has expired. There are 20 billing cycles in a month so some customers receive the August bill, for example, towards the end of the month or even into the

start of the following month. Allowing the promotion to run through September 30 would allow us to plan for an August customer newsletter promotion as well as time to prepare other customer communications (mailers, E-Tip, website enhancements, community outreach events) and provide contractors with more lead time for their own advertising.

NJNG appreciates the opportunity to provide comments on this Proposal.

Sincerely,

Anne-Marie Peracchio
Director- Conservation and Clean Energy Policy

Cc: Michael Winka, BPU
Michael Ambrosio, AEG
Mona Mosser, BPU

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EfficiencyFirst
America's Home Performance Workforce NJ

2011 New Jersey Home Performance with ENERGY STAR Program Enhancements

May 19, 2011

President Lee A. Solomon
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Dear President Solomon,

I am writing this letter on behalf of The NJ Chapter of Efficiency First, which is a nonprofit organization which represents over 1,300 businesses nationwide, and 43 New Jersey based business owners composed of home performance contractors and energy auditors with a total of nearly 600 employees in NJ.

We would like to thank CSG, Honeywell, AEG, South Jersey Gas, NJ Natural Gas, Elizabethtown Gas, and OCE staff for involving the contractor community in working out a plan that could help re-energize the HPwES program. We feel that through the discussion with the above mentioned parties, and the contractor community, a solid plan was established to help get the HPwES program back to the great success it had in 2009 & 2010. Due to the budgetary issues that were encountered in 2010, the program lost a lot of the momentum it had established, and we feel Honeywell's proposal will help to re-establish that lost momentum.

It was once again a positive experience to be asked for our thoughts and truly be engaged in the process to develop a workable sustainable program for all parties involved going forward. Based on the information exchanged we feel that this is the best possible plan to help increase program participation by both ratepayers/homeowners and BPI Accredited Contractors. The increased rebate promotion period should help re-establish HPwES as the best choice for NJ residents to make energy efficient upgrades to their homes, and return HPwES to the position. We would also like to point out that some of our membership that does business in other states pointed out to us that the NJ Clean Energy Program stakeholder process should be a model of transparency, to other states and programs across the country.

We would suggest that the incentive period be extended until at least September 30th since the start of the incentive period will be later than originally anticipated when the August 31st date was originally proposed. Because of that we will be missing the opportunity to offer this in our busiest months of May and June. We have spoken to SJ Gas Company and they also support extending the promotion period until the end of September.

On behalf of Efficiency First,

Brian Bovio, National Vice Chairman
Bovio Advanced Comfort & Energy Solutions
Sicklerville, NJ

Scott Needham, NJ Chapter Chair
Princeton Air Conditioning
Princeton, NJ

Hello,

We believe there is a very essential element missing. Real-time consumption monitoring. We strongly believe that to reach max efficiency and to carefully maintain it requires a constant view of consumption. When it comes to energy saving, **energy management** is the process of **monitoring**, controlling, and conserving energy in a building or organization.

Typically this involves the following steps:

1. Monitoring your energy consumption and collecting the data.
2. Finding opportunities to save energy, and estimating *how much* energy each opportunity could save. You would typically analyze your meter data to find and quantify routine energy waste, and you might also investigate the energy savings that you could make by replacing equipment (e.g. lighting) or by upgrading your building's insulation.
3. Taking action to target the opportunities to save energy (i.e. tackling the routine waste and replacing or upgrading the inefficient equipment). Typically you'd start with the best opportunities first.
4. Tracking your progress by analyzing your real-time monitoring data to see how well your energy-saving efforts have worked.

(And then back to step 2, and the cycle continues...)

1. Monitoring your energy consumption and collecting the data

As a rule of thumb: the more data you can get, and *the more detailed it is, the better*.

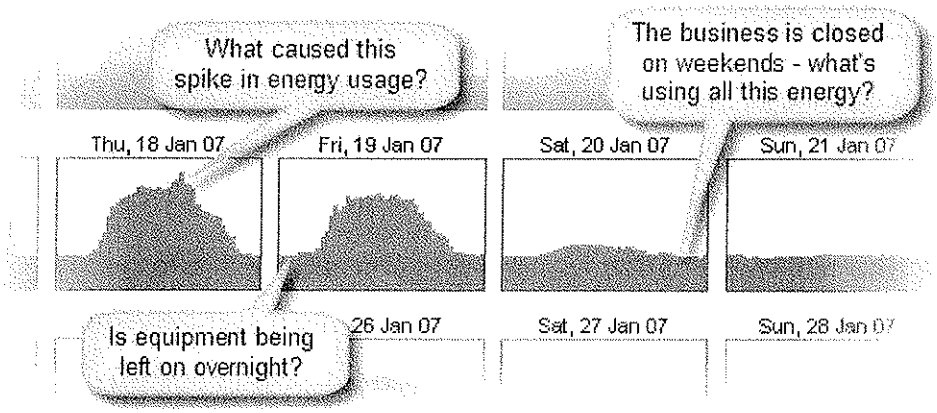
The old school approach to energy-data collection is to manually read meters once a week or once a month. This is quite a chore, and weekly or monthly data isn't nearly as good the data that comes easily and automatically from the modern approach...

The modern approach to energy-data collection is to fit "Real-Time" monitoring systems that automatically measure and record energy consumption at short, regular intervals such as every 15-minutes or half hour. Detailed interval energy consumption data makes it

possible to see patterns of energy waste that it would be impossible to see otherwise. For example, there's simply no way that weekly or monthly meter readings can show you how much energy you're using at different *times of the day*, or on different *days of the week*. And seeing these patterns makes it much easier to find the routine waste in your building.

And one of the simplest ways to save a significant amount of energy is to encourage staff to switch equipment off at the end of each working day.

Looking at detailed interval energy data gathered from real-time monitoring is the ideal way to find routine energy waste. You can check whether staff and timers are switching things off without having to patrol the building day and night, and, with a little detective work, you can usually figure out who or what is causing the energy wastage that you will inevitably find.



Detailed energy data from real-time monitoring is the key to finding the easiest energy savings

And, using your detailed interval data, it's usually pretty easy to make reasonable estimates of how much energy is being wasted at different times. For example, if you've identified that a lot of energy is being wasted by equipment left on over the weekends, you can:

a. Use your interval data to calculate how much energy (in kWh) is being *used* each weekend.

b. Estimate the proportion of that energy that is being *wasted* (by equipment that should be switched off).

c. Using the figures from a and b, calculate an estimate of the total kWh that are wasted each weekend.

Alternatively, if you have no idea of the proportion of energy that is being wasted by equipment left on unnecessarily, you could:

i. Walk the building one evening to ensure that everything that *should* be switched off *is* switched off.

ii. Look back at the data for that evening to see how many kW were being used *after* you switched everything off.

iii. Subtract the *target* kW figure (ii) from the *typical* kW figure for weekends to estimate the potential savings in kW (power).

iv. Multiply the kW savings by the number of hours over the weekend to get the total potential kWh energy savings for a weekend.

It's much more reliable to base your savings estimates on real-time monitoring data than on rules of thumb alone. And it's critically important to quantify the expected savings for any opportunity that you are considering investing a lot of time or money into – it's the only way you can figure out how to hone in on the biggest, easiest energy savings first.

4. Tracking your progress at saving energy

Once you've taken action to save energy, it's important that you find out how effective your actions have been:

- Energy savings that come from behavioural changes (e.g. getting people to switch off their computers before going home) need ongoing attention to ensure that they remain effective and achieve their maximum potential.
- If you've invested money into new equipment, you'll probably want to *prove* that you've achieved the energy savings you predicted.
- If you've corrected faulty timers or control-equipment settings, you'll need to keep checking back to ensure that everything's still working as it should be. Simple things

like a power cut can easily cause timers to revert back to factory settings - if you're not keeping an eye on your energy-consumption patterns you can easily miss such problems.

- If you've been given energy-saving targets from above, you'll need to provide evidence that you're meeting them, or at least making progress towards that goal...
- And occasionally you might need to prove that progress *isn't* being made (e.g. if you're at your wits' end trying to convince the decision makers to invest some *money* into your energy-management drive).

Managing your energy consumption effectively is an ongoing process...

At the very least you should keep monitoring and analyzing your energy data regularly to check that things aren't getting *worse.* It's pretty normal for unwatched buildings to become *less* efficient with time: it's to be expected that equipment will break down or lose efficiency, and that people will forget the good habits you worked hard to encourage in the past... With all the work it takes to arrive at an optimum energy consumption level, it is imperative to continue to constantly monitor, in real time, so that you can immediatly see the and address any loss of efficiency.

Shift Into Green Energy presents an extremely cost effective data intensive, simple to implement and understand energy management monitoring tool called "**Eniscope**", that is currently under review for inclusion in the TRC arsenel of acceptable energy efficiency to tools. This tool, and others like it should be an essential element in any serious energy management plan.

Peter Ricks
Shift Into Green Energy Corp.

Proposed Changes to CORE, REIP and the ESFI

Comments of the New Jersey Division of Rate Counsel

May 27, 2011

The Division of Rate Counsel ("Rate Counsel") would like to thank the Board for the opportunity to present our comments on the proposed changes to the EDC Solar Financing Incentive ("ESFI") and to the Customer On-site Renewable Energy Program ("CORE") and Renewable Energy Incentive Program ("REIP") extension policy.

As discussed during the May 10, 2011 Renewable Energy Committee meeting, the Office of Clean Energy ("OCE") is proposing to change the ESFI eligibility period. The $0.50 per watt incentive will be available up until June 10, 2011, rather than through December 31, 2011. Given the robust participation in the program's Solicitation Round 6, and the number of projects that have been installed without the need for a rebate, Rate Counsel supports this proposed change.

In addition, OCE is proposing modifications to the Board's extension policy for CORE and REIP solar projects. Under the proposed modifications, projects that have not received an extension would be eligible for only one extension of four or six months, depending on project size, and projects that previously received an extension would be eligible for one additional extension of six months. The OCE proposal would establish more stringent criteria for the granting of extensions. Again, it is apparent that the CORE and REIP rebates are no longer needed to encourage solar installations.

Rate Counsel has previously raised concerns about the continued multi-year wind-down of the CORE program.[1] Rate Counsel has already recommended that the Board discontinue funding for the CORE program in the 2011 budget and return those dollars to ratepayers. Rate Counsel has also recommended any new spending allocated to REIP be refunded to ratepayers. Based on the state of the SREC market, decreases in installation costs, and windfalls for projects that have received rebate approvals, it is evident that these programs need not continue. Rate Counsel therefore supports OCE's proposed modifications and any further changes that will bring these programs closer to conclusion.

[1] I/M/O the Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for 2010-2011: 2011 Programs and Budgets Compliance Filings: Transitions within the Clean Energy Program; BPU Docket No. EO07030203; Rate Counsel Comments on the Proposed Renewable Energy Program Budget for 2010-2011, November 17, 2011.

The Solar Alliance

May 27th, 2011

NJ Clean Energy Program
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COMMENTS OF THE SOLAR ALLIANCE IN THE MATTER OF CHANGES TO THE EDC SOLAR FINANCING INCENTIVE AND PROJECT EXTENSION POLICY

The Solar Alliance[1] is a group of approximately 30 of the largest photovoltaic (PV) solar development and manufacturing companies in the United States. The Alliance members work together to advance state legislative and regulatory policies that support solar photovoltaic energy and help capture associated economic development opportunities.

The Solar Alliance is pleased to submit comments on the proposed changes to the EDC Solar Financing Incentive (ESFI) and to the CORE and REIP project extension policy as described in the announcement on May 18, 2011. In general, we support the Market Manager's recommendations to a) limit the availability of the ESFI to only those projects awarded contracts in the remaining June Solicitation and b) modify the extension policy for CORE and REIP solar projects. However, we respectfully suggest that such changes should be accompanied by other improvements to the EDC Solar Finance Program that will support continued participation and ensure the recent trend towards greater participation levels across all segments does not reverse.

With regard to the ESFI, the Solar Alliance acknowledges the Market Manager's conclusion that "that the need for incentives to participate in the program has dissipated...based upon the robust participation in the program's Solicitation Round 6 and the fact that over 1,100 residential projects have participated in the SREC Registration Program (SRP) without the benefit of a rebate".

Yet the Solar Alliance would also point out that while participation in the EDC SREC Finance has been robust, there remain certain critical obstacles and limitations which must be addressed.

First, more residents and businesses have been encouraged to participate in the EDC SREC Finance Program but at the same time remaining capacity is declining and there is less than a year left in the program. There are now only 20MW of capacity which will be fully awarded by the end of December, 2011. In light of this constraint, the Solar Alliance recommends the following:

[1] The views expressed in these comments are those of the Solar Alliance and not necessarily those of any individual member company.

1.1. The remaining capacity of the program should be recalculated based on the percentages stated in the Board Order authorizing the program and the current solar obligation as established by the Solar Energy Advancement and Fair Competition Act (A3520). Specifically, an incremental 34MW of capacity should be allocated in the remaining two solicitations in this reporting year (Sep, Dec) based on the calculations below.

Capacity Calculations:

	EY 2010	EY 2011	EY 2012
JCP&L	23	10	9
ACE	10	5	4
RECO	2.3	0.8	0.7
Current Program Capacity	**35.3**	**15.8**	**13.7**
Percentage (Aug 7, 2008 Board Order)	60%	50%	40%
Incremental Solar Obligation (A3520)	10	40	85
Incremental Program Allocation	***6***	***20***	***34***

Rationale: The Stipulation of Settlement of March 13th, 2009 specifically states that "MW to be solicited in each year are subject to an annual review by the board relative to SREC requirements under the August 7 Order, and the "inventory" of New Jersey project commitments developed pursuant to this SREC Program and independent markets." Additionally, the Board Order of August 7, 2008 states that "the Board can consider, as part of these annual reviews, whether the timeframes and percentage requirements for transitioning to a fully market-based approach need to be extended, based on the status of the development of market-based contracts." (emphasis added)

1.2. An interim six-month extension of the program should be established while awaiting the outcome of the Board ordered review and stakeholder proceeding regarding all solar programs (SREC Finance and Solar Loan II). Such extension should include two additional solicitiations between Jan. 1, 2012 and May 31, 2012 for a total capacity of 26MW.

Rationale: 26MW represents the incremental capacity that would have otherwise been available in previous reporting years (2010-2011) if the program capacity had been recalculated at the time of the increase in the solar obligation per the calculations above.

Second, certain program improvements should be implemented to facilitate participation by the same projects that would have otherwise received incentives. In particular, these incentives may have off-set certain unnecessary administrative and equipment costs. It would be fair to eliminate these costs at the same time the incentive is eliminated so as to ensure continued participation in this segment. Accordingly, the Solar Alliance would further recommend the following:

2.1. **For systems <10kW, developers should be granted the ability to submit multiple projects in a consolidated bid package while retaining individual project bid prices, Certifications and Checklist Qualifications. This is intended as an administrative change in the bid submittal process only given that projects would still be evaluated individually and separate SREC PSA contracts would still be executed for each system/customer.**

2.2. **Projects <10kW interconnected within the last 90 days (from Bid Due Date) and submitted by an aggregator or developer should be permitted to participate to facilitate batching of customer projects.**

2.3. **The EDC metering requirement should be changed, allowing SREC sellers to retain ownership and provide the purchaser access to and use of the meter data. In many cases, a revenue grade meter owned and installed by the developer is already required to facilitate billing for systems that are leased or financed under a Power Purchase Agreement. An additional EDC meter in this case would seem wasteful and redundant. Additionally, after the EDC SREC Finance contract expires the customer or developer will need a meter in place to sell the remaining SRECs.**

The Solar Alliance will certainly advance these process improvements in the context of the anticipated stakeholder process. However, the BPU should consider implementing these changes immediately.

A confluence of market and regulatory factors is creating a great sense of urgency among many stakeholders. In the absence of an SACP schedule, market-based contracting has been seriously curtailed. This fact, paired with the declining price of SRECs, the elimination of the ESFI and the dwindling availability of EDC based programs is putting pressure on the solar industry and its participants. The recommended changes need to be embraced now in order to provide the market a short term solution while awaiting determination of any SREC Finance or Solar Loan program extension and announcement of the SACP schedule beyond 2016.

We believe the recommendations above are meaningful but incremental improvements which can quickly be implemented, enabling elimination of the ESFI, strengthening instead of weakening the market, and preserving the tremendous progress that has been made under the existing SREC Finance Program.

We welcome any feedback on these recommendations and remain committed to supporting OCE Staff in their efforts to drive the New Jersey solar market forward.

Very truly yours,

Carrie Cullen Hitt
President
Solar Alliance