



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF REVISIONS TO NEW JERSEY'S)
CLEAN ENERGY PROGRAM MARCH 2014)
PROTOCOLS TO MEASURE RESOURCE SAVINGS.)
)
) DOCKET NO. EO09120975

Parties of Record:

- Maurice Kaiser**, Honeywell Utility Solutions
- Diane Zukas**, TRC Energy Services
- Michael Ambrosio**, Applied Energy Group
- Mark Mader**, Jersey Central Power & Light
- Timothy White**, Atlantic City Electric
- Scott Markwood**, Orange & Rockland Utilities
- Bruce Grossman**, South Jersey Gas Company
- Susan Ringhof**, Public Service Electric and Gas Company
- Tracey Thayer**, New Jersey Natural Gas
- Mary Patricia Keefe**, Elizabethtown Gas Company
- Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND AND PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act ("EDECA" or the "Act"), N.J.S.A. 48:3-49 et seq. was signed into law. The Act established requirements to advance energy efficiency and renewable energy in New Jersey through the societal benefits charge (SBC), among other things. N.J.S.A. 48:3-60(a)(3). EDECA further empowered the Board to initiate a proceeding and cause to be undertaken a comprehensive resource analysis of energy programs, currently referred to as the energy efficiency (EE) and renewable energy (RE) comprehensive resource analysis (CRA). After notice, opportunity for public comment, public hearing, and in consultation with the New Jersey Department of Environmental Protection (NJDEP), within eight months of initiating the proceeding and every four years thereafter, the Board would determine the appropriate level of funding for EE and Class I RE programs (now called New Jersey's Clean Energy Program or NJCEP) that provide environmental benefits

above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999. By Order dated June 30, 2014, Docket No. QO14050489, the Board approved FY15 programs and budgets for the NJCEP.

By Order dated May 21, 2014, Docket No. E009120975, the Board approved a document entitled Protocols to Measure Resource Savings ("Protocols") dated March 17, 2014 which contains the most recent Protocols approved by the Board. The Protocols are used by the program managers to estimate energy savings and renewable energy generation.¹ The Protocols include algorithms for measuring energy and other resource savings or renewable or clean energy generation that result from the implementation of eligible measures under New Jersey's Clean Energy Program (NJCEP). The Protocols require updating from time to time as baselines against which energy savings are measured change due to upgrades in energy codes or appliance efficiency standards, as programs or measures are added or changed, as a result of program evaluations, or due to other changes in the assumptions used to measure resource savings. In this Order, the Board will consider proposed modifications to the Protocols, described below.

PROPOSED REVISIONS TO PROTOCOLS

The Office of Clean Energy (OCE) asked Honeywell, the NJCEP Residential and Renewable Market Manager and TRC, the Commercial and Industrial (C&I) Market Manager, to propose revisions to the Protocols that reflect FY15 program changes. The Market Managers proposed various revisions to the Protocols to reflect current codes and standards, new technologies and building practices, and other changes in the marketplace.

Applied Energy Group (AEG), the NJCEP Program Coordinator, compiled these proposed Protocol modifications of the t the Market Managers and NJDEP and prepared a red-lined draft that identified all of the proposed modifications. On April 13, 2015, OCE Staff circulated the red-lined draft of the proposed Protocols modifications to the Energy Efficiency and Renewable Energy committee distribution lists, including the Market Managers, Division of Rate Counsel (Rate Counsel), the State's electric and natural gas utilities, the New Jersey Utilities Association, environmental groups, and local governments, and requested comments on the draft Protocols by April 27, 2015. Two groups submitted comments, which are summarized below.

SUMMARY OF COMMENTS

Comments were submitted by Rate Counsel and EnGeneration, LLC. The substantive written comments received are summarized below.

Comment: Mr. Pfeiffer of EnGeneration, LLC commented that changes made to the Combined Heat & Power and Fuel Cell (CHP-FC) Program section implied that the protocols imposed different standards for different technologies.

Response: The existing CHP-FC program approved by the Board provides incentives for CHP systems and for fuel cells without heat recovery. Both the current and proposed protocols reflect the measures in the Board approved NJCEP programs; they do not impose different

¹ Residential EE and RE programs are administered by Honeywell, Inc., and Commercial and Industrial EE programs are administered by TRC Energy Solutions ("TRC"). Honeywell and TRC are the Market Managers for the residential and Commercial & Industrial programs, respectively. Applied Energy Group ("AEG") serves as the NJCEP Program Coordinator.

standards for different technologies as suggested by Mr. Pfeifer. Should the Board approve incentives for additional technologies, the protocols would be updated to include those technologies as well. The issue raised by Mr. Pfeifer concerns products eligible for incentives. OCE is in the process of engaging contractors to perform an evaluation of the CHP-FC program and the issue raised by Mr. Pfeifer will be reviewed as part of this evaluation.

Comment: Rate Counsel requests that future versions of the Protocols should reflect the anticipated findings of the now pending NJCEP FY14 Data and Evaluation working group proceedings, as well as any measurement and verification methodologies required for participation in PJM Interconnection's EE and Demand Response Programs.

Response: Staff is in the process of developing an RFP for an evaluation of the protocols as suggested by ERS in its recent benchmarking study. Staff will coordinate with CEEEP to ensure this comment is considered as part of the proposed evaluation. Rate Counsel's proposal has merit and will be addressed in future versions of the Protocols.

DISCUSSION AND FINDING

Sufficient notice of the proposed Protocol modifications was given to stakeholders and of the opportunity for public comment. As indicated earlier, Staff circulated a redlined draft of Protocol revisions in April 2015, and after reviewing and considering comments of interested stakeholders, made additional changes that addressed the comments that were received. The changes were minimal and included eliminating references to the CORE program which no longer exists and noting that the next draft of the protocols will include updates to the section addressing solar systems.

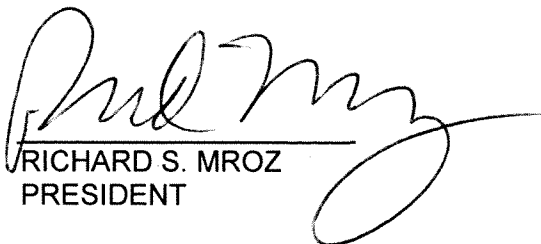
The Board **HEREBY FINDS** that Board Staff solicited input from public stakeholders on proposed changes to the Protocols, carefully considered the public comments to the proposed changes to the Protocols, and based on those comments recommended minor, additional changes to the Protocols, the result of which, reflects the input of the participants in the process. The Board **FURTHER FINDS** that the proposed changes to the current draft of the Protocols are reasonable based on the need to update Protocols from time to time to reflect up-to-date energy savings baselines reflective of upgrades in energy codes or appliance efficiency standards; additions and changes to Clean Energy programs or measures; program assessments and evaluations; and other changes in the assumptions used to measure resource savings.

The Board **FINDS** that the Protocols should continue to be updated from time to time so that they are current with federal and State codes and standards and are reflective of current technologies and building practices and other changes in the marketplace, including the addition of new NJCEP programs and program components. For the reasons set forth above, the Board **FINDS** that the proposed Protocols include reasonable methodologies and are appropriate for estimating energy savings and renewable and distributed generation. The Board supports ongoing program evaluation to inform additional updates to the Protocols and **DIRECTS** the OCE to continue coordinating the development of an evaluation plan. Based on the above, the Board **HEREBY APPROVES** the Protocols to Measure Resource Savings dated April 27, 2015 for use in estimating savings from FY15 program measures.

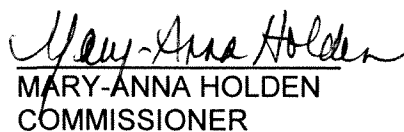
The effective date of this Order is May 29, 2015.

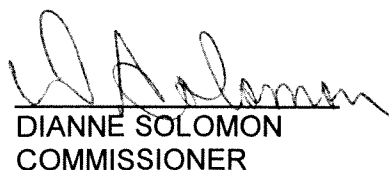
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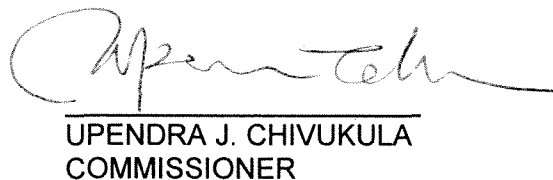
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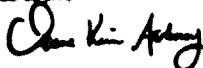

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**I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities**



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2014 PROTOCOLS TO MEASURE RESOURCE SAVINGS - DOCKET NO. EO09120975

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