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NJBPU  
Draft Energy Master Plan  
8<sup>th</sup> Floor  
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Subject: Draft EMP Comments

Wellspring designs and manufactures (in New Jersey) a line of utility submeters and controls that are purchased by apartment owners and condominium associations who seek to reduce utility consumption, and recover their utility expense based on measured consumption, rather than including these costs in rent or common area fees.

Wellspring has installed 125,000 units since 2002, which have produced an average reduction (measured and verifies) in utility use of 26%.

Wellspring has also been part of an effort coordinated by the New Jersey Apartment Association, to change BPU regulations that prevent certain types of submetering (gas, electric, and water if supplied by an investor owned utility). New Jersey is the ONLY state in the nation that does not allow sub-metering. Of course, the argument which has dominated submetering policy decisions in other states is the conservation effect of submetering, which is well documented in many credible studies<sup>1</sup>, and supported by Wellspring's business practice.

As we reviewed the Draft Energy Master Plan, we have considered multi-family homes impact energy use, and what changes in New Jersey laws, codes and regulations might be considered that would reduce demand for energy (on-peak and off) in multifamily dwelling units. First, let us share some facts to put this segment of energy in perspective.

1. Buildings (commercial, residential and industrial) are projected to consume 87.3 million metric tons of CO<sub>2</sub> equivalent, compared to 158.3 in total. By contrast, transportation is projected to produce only 58.6 million metric tons equivalent.
2. Multi-family homes account for 29% of all households nationwide, but 43% in New Jersey.

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3. Dramatic reductions in demand for heating fuels and electricity in multi-family homes are available if the same utility use accountability standards were applied to both single family AND multi-family homes. ALL single family homes are individually metered.

### **Demand Response in Multi-Family**

Often overlooked, multi-family homes are much easier to aggregate into a cost effective demand response program. Residential demand response is one part control, and one part communication. Emerging radio-based thermostats and power switches are a good fit with multi-family homes, where the density of residences makes radio-based communication and control much easier and practical.

It is also easier to impose limits on peak demand in multi-family communities, since the community is managed by a single entity and resident rights are defined in a lease document, or association bylaws. Further, the communications infrastructure required for submetering can be used for demand response. Submetering also provides the necessary verification, that demand was indeed reduced on-peak when called for.

### **Recommendations to Reduce Multifamily Energy Impact**

1. Remove the prohibition on gas, electric and water submetering in multi-family residential buildings.
2. Provide incentives for multifamily communities to encourage control electrical demand on-peak, including:
  - a. Allow the multi-family community to purchase power through master-meters under commercial rates which provide financial incentives to lower peak demand, generate power on-site, and invest in renewable energy sources – and allow these communities to sell through electric submeters to their residents at a rate no greater than the utility charges individual residents (this is the law in Pennsylvania).
  - b. Require the installation of load-shedding thermostat and electric hot water heater switches in conjunction with the installation of electric sub-metering.

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Wellspring does business nationwide. From our perspective, the most important change needed in New Jersey is to remove regulations which block the free market that is delivering reductions in utility use in virtually EVERY other state.

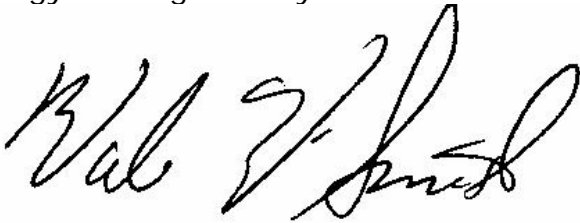
Ask yourself two questions.

1. Doesn't it make sense that people will consume less when they pay ONLY for what they use, rather than paying one amount regardless of how much they consume? Countless studies prove this. And, EVERY single family home is metered for just this reason.
2. Why does EVERY other state allow, and some strongly encourage sub-metering?

Consider this analogy – you pull up to the gas station, fill the tank, and drive away without paying. The cost of gasoline is included in your tax bill, and has no bearing on what kind of car you drive, how far you go, or how fast you drive.

Even though many multi-family residents consume more energy in their home than in their car – they never pay for what they use. They just “fill the tank and drive away.”

How can you offer an Energy Master Plan and not include an end to this kind of energy wasting insanity?

A handwritten signature in black ink, appearing to read "Wade W. Smith". The signature is fluid and cursive, with the first name "Wade" being the most prominent.

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