

New Jersey Energy Master Plan
Strategy Template
2005-2020

South Jersey Energy Solutions-- Individual Metering Program

SUBMITTED BY

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Objective

Goals 1 (Electricity, Heat Efficiency, Reduce Demand) and 2 (Job Growth, Energy Efficiency)

Strategy

Individual metering in commercial, industrial and multi-family residential buildings

The utilization of central metering in apartment buildings, strips malls, office buildings and the like serves as a disincentive to energy conservation. The most effective way to ensure that an energy consumer takes steps to keep h/s consumption down is an awareness of the amount of energy h/s is using each month and, perhaps more importantly, the obligation to pay for it. Central metering results in a situation where a tenant has no incentive to conserve since someone else is (directly) paying the bill. Witness the frequent occurrence of open windows in facilities with old, inefficient heating systems in an effort by tenants to moderate the sometimes stifling or unevenly distributed heat.

Requiring the utilization of individual metering or measuring devices in new construction is fairly uncomplicated and achievable through regulatory action. The issue becomes more complex when considering the retrofitting of existing buildings with individual meters or energy measuring devices. This is because the rent paid by occupants of such buildings generally *includes* utility costs. As a result an adjustment in each tenant's monthly rent (and landlord/tenant negotiations to accomplish same) would be required if a move away from central metering is contemplated. SJES recommends that a State level program be established which would require individual metering and energy measuring devices for new construction.

SJES further recommends that incentives be provided to individuals seeking to install individual metering and energy measuring devices in existing facilities, with all resulting energy consumers

becoming utility customers. (Note: SJES would emphasize here that, by BPU Order dated 9/19/05, BPU Docket No. AO05080734, the NJHMFA has instituted a similar program).

Specifically, SJES would propose that the following strategies be considered and implemented:

Strategy 1 :

- Applicable building codes to be amended in order to mandate the installation of individual meters and energy measuring equipment in new buildings constructed for multiple tenant occupancy.

Strategy 2:

- Provide financial incentives for the installation of individual meters or energy measuring devices in existing facilities which utilize central metering.
- Adoption of ratemaking approaches such as an inverted block rate structure on residential heat ratepayers whose use exceeds a specific heat related level of consumption.
- The proceeds would be collected through this rate structure and placed into a fund which would provide low interest loans and/or grants to those seeking to install individual meters or energy measuring devices in existing facilities.
- The Fund would be administered by each utility so that low interest loans might be provided to businesses in that utility's service territory to undertake energy efficiency improvements *or*
- The provision of financial assistance from the Fund would be overseen by the EMP oversight office to be established at the NJBPU *or*
- A non-profit corporation would be established to administer the funds (i.e. the Vermont/Oregon/New York model)

This program can serve to supplement existing and future clean energy programs (e.g. NJHMFA, audits under the NJ Smartstart Buildings® Clean Energy Program, SBA, etc.)

In addition to the potential for providing significant energy savings, the above would serve as a source of increased business for those in the energy efficiency equipment installation business thus having a positive impact on jobs for those operating in that sector. It would also provide businesses and residents the ability to take affirmative steps to control their energy costs thus improving NJ's reputation as a challenging state in which to live and do business to the betterment of the overall economy.

Responsible Party

Administration (NJBPU, NJ Dept. of Community Affairs), Legislature (if it is determined that EDECA amendments are required), utilities and others

Timeline of action

The timing of this strategy’s implementation would depend upon the form the program might take and the extent to which regulatory, legislative or other changes are required.

Strategy outcome

- Reduced energy consumption
- more efficient energy equipment installations
- individual metering and measuring equipment installations routinely employed in new construction
- more work for the energy equipment installation business
- more jobs for labor force

Implementation cost

Administrative costs would depend upon what entity is administering the program, i.e. utility vs. BPU vs. non-profit corporation, with the goal being determining which would be the most cost effective approach.

Source of Funding

Strategy 1- N/A

Strategy 2- Program funded with a charge applied through utility rates on residential heat ratepayers who consume natural gas inefficiently.

Funding sources	Yes	No
Private sector funds		X
Public sector funds		X
Consumer/ratepayer Funds	X	

Indicators

- Measures are a comparison of how many residential, commercial and industrial facilities are retrofitted for energy efficiency going forward vs. experience in past years;
- Overall energy consumption of particular multi occupant buildings in one year vs. past years.
- Quantification of how many “landlords”/residents participate
- Workload level of energy auditors and installers.

Source

A. Current state of indicator

This information is being developed through other energy conservation programs

B. Indicator Projection to 2020.

Too early to determine results of definable metrics now. However, data can be monitored and evaluated as it comes in and each year projections can be refined based upon such data.