



# ACEEE Conference: Energy Efficiency as a Resource

Examining the Industrial “Self-Direct” Issue  
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# Rationale for New Jersey Program

Better align program procedures with customer planning process

- ▶ Internal budgeting procedures
- ▶ CFO approvals
- ▶ Corporate fiscal years

Large customers tend to have more sophisticated engineering staff

Projects subjected to rigorous internal review before submitting rebate applications

- ▶ CFO sign off
- ▶ Internal staff assessment of project cost and savings

# Rationale Continued:

Perceptions regarding contributions to EE programs verse how much can be obtained in rebates

Streamline application and review process

- ▶ Allow use of internal planning documents as support
- ▶ Eliminate the need for large customers to submit multiple applications, custom and prescriptive, i.e. single application for multiple projects

Reduce pressure for SBC by-pass bill pending in legislature (unsuccessful-now law)

# Process for Developing Program

Met with NJ Large Energy Users Coalition to discuss issues and develop program requirements

- ▶ NJLEUC includes large energy users from various industries including: Pharmaceuticals, universities, commercial building managers, refineries, for example
- ▶ Each had its own set of issues which complicated program development

Started as a pilot program and changes made based on experience with pilot

# Process for Developing Program

Developed program procedures that balanced giving participants flexibility while ensuring public policy objectives were maintained

- ▶ For example, program includes standards to ensure projects deliver energy savings and does not pay for things like routine maintenance

Streamlined application and review process to recognize needs of large customers

# NJ Large Energy Users Program

Goal: To foster self-investment in energy efficiency and CHP projects while providing financial support to large commercial and industrial customers

Commenced as pilot in 2011

Eligibility requirements:

- ▶ Minimum contribution of \$300,000 to NJCEP in previous year
- ▶ 400 kW minimum demand (or average minimum demand if multiple buildings to avoid small chain stores)

# NJ Large Energy Users Program

Maximum Incentive = the lesser of:

- ▶ \$4 million
- ▶ 75% of project cost
- ▶ 90% of contribution to NJCEP in previous year
- ▶ \$0.33 per projected kWh saved annually; \$3.75 per projected therm saved annually

# NJ Large Energy Users Program

Energy Efficiency Plan: Projects submit an EEP that sets out:

- ▶ Energy Conservation Measures included estimated cost, savings and payback
- ▶ Utility billing information
- ▶ M&V plan (incentive is not tied to results of M&V but M&V is used to evaluate program)
- ▶ Professional Engineer certification



# SBC Credit Program

In addition to the Large Energy Users Program State legislation required the BPU to implement a similar SBC Credit Program

Approved for January 1, 2013 start, has not yet been implemented

All C&I customers are eligible

Customers can receive an incentive = 50% of the cost of an eligible EE project

Incentive = 50% of contribution to SBC in year project is installed plus subsequent 10 years (SBC includes NJCEP, universal service, nuclear plant decommissioning and other costs)