



South Jersey Gas

Utility Residential Solutions and How To Achieve Them

A Combination Approach



South Jersey Gas Service Area



SJG Efficiency Program; A Collaborative Approach To Solve A Financial Problem

- ❖ Leverage NJ Clean Energy Programs
- ❖ Motivate and Support Contractors and Service Providers Who Bring Energy Efficiency To Market
- ❖ Bring Financial Capital to Consumers and Businesses
- ❖ Align Utility Financial Needs To Support Energy Efficiency i.e.; Rate Decoupling, Identify and Monetize the Value of Reducing Capacity for Resale.



Let's Talk About \$\$\$\$

The Deal Has To Have Value For:

- Utilities
- Contractors and Financiers
- Customers
- Policy Makers



South Jersey Gas Rebates and Financing

- ❖ In June of 2013, SJG received approval to offer an additional \$500 Rebate for the installation of a qualifying central heating and qualifying water heating system.
- ❖ SJG customers can currently receive **\$1,400** in rebates for the installation of efficient heating and water heating systems, with a Home Energy Assessment.



SJG Financing Offers; Working with Energy Finance Solutions

❖ Home Performance Finance Program

- 0% Financing up to \$10,000 for 7 years, and 4.99% up to \$15,000 up to 10 years. The State of NJ will also provide up to \$4,000 in rebates.

❖ Residential HVAC Financing (in lieu of a rebate)

- 0% financing for 5 years up to \$6,500 for existing customers, and up to \$8,000 for conversion heating customers.



South Jersey Gas Financing Offers

❖ **Direct Install Financing Program**

- NJCEP pays 70% of the cost of all qualified upgrades up to \$125,000. SJG finances the remaining 30% at 0% financing currently for 3 years up to \$53,571, with an unsecured loan. Credit is evaluated based on the SJG payment history

❖ **Smart Start Financing Program**

- 0% financing over 5 years up to \$100,000. Credit is evaluated based on your SJG payment history and the company's financial history. The State of NJ will also provide rebates for qualifying equipment!



Results of Financing Since May 2014 to May 2016

Number of Loans Sold:

- ❖ Home Performance = Over 2,000
- ❖ HVAC = Over 600
- ❖ Direct Install (Commercial Customers < 200 Kw Demand) = 40
- ❖ Non Residential = 12

Total Value of Loans = Nearly \$25M!



What About The Customer?

- ❖ Customers Need To Be Educated About the Value of Energy Efficiency, and How to Afford It.
- Comfort – Who Wants to Be Cold or Hot?
- Safety – Who Wants An Unsafe Home?
- Savings – Who Wants to Spend More?
- Environmental Compatibility – Who Wants to Pollute?



What About The Contractor and Service Provider?

- ❖ Contractors Need To Be Educated About the Value of Energy Efficiency (They want to make money too!)
- ❖ What's In It For Them?
 - **Economic Opportunity**
 - **Customer Satisfaction**
 - **Increase in Revenue Per Project**
 - **Another Profit Center**



Why Should Utilities Care About Contractors?

- ❖ Utilities Grow Because Contractors Install The Products That Use Our Products!
- **Economic Opportunity**
- **Customer Satisfaction**
- **Increase in Revenue Per Project**
- **Another Profit Center**
- ❖ **Financing Creates the Cash Flow, that Makes Our Partnerships Work!**



Why Does SJG and the NJBPU Work Together?

- ❖ We want our customers to be glad they made the affordable decision to move forward with energy efficient programs, products and services.
- ❖ We want them to be safe, comfortable, and have the best energy and environmental value.
- ❖ We want them to have a financial solution to the problem of becoming Energy Efficient, while providing the utility with a good return.



To Learn More:

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