



NJ Building Decarbonization Start Up & Demand Response Stakeholder Meetings

August 24, 2023

3 pm and 6 pm



Hosted by:



Antitrust Statement

- **The New Jersey Utilities are committed to full compliance with all laws and regulations as well as maintaining the highest ethical standards. We adhere to all federal and state antitrust laws**
- **Coordination of Energy Efficiency programs by the utilities is in response to BPU requirements set forth in the 1st and 2nd triennium EE Framework Orders**
- **The utilities do coordinate and agree on price ranges for EE incentives, but do not engage in price fixing or any other anticompetitive behavior**

Current Status

- **Utilities have been operating coordinated core EE programs since July 2021**
- **Working collaboratively to refine EE programs**
 - Significant changes from codes and standards
 - Results from independent evaluations
 - Common best practice approaches
 - Higher energy saving goals
 - Additional BPU guidance, during the current triennial and from the new Triennium 2 orders
 - Feedback from contractors and other stakeholders
- **Except for one current pilot at RECO, BD programs will be new**
- **Except for two current programs at RECO and JCP&L, DR programs will be new**

Utilities still refining ideas for how to approach proposals for these new Board directives.

Introduction

- **The July 26, 2023 Framework Order requires Electric and Gas Utilities to propose Building Decarbonization Start Up programs (BD) and Demand Response (DR) programs for consideration by the Board.**
- **The Order requires the Utilities to:**
 - Prior to filing proposed programs with the Board, the utilities should also seek stakeholder input to refine the design of these programs through at least two (2) virtual public stakeholder outreach sessions during and after business hours that are advertised on their websites.
- **Electric Utilities are required to file BD/DR programs**
- **Gas Utilities have the option to file BD programs, but are required to file DR programs**
- **Proposals will be included as part of the required Energy Efficiency (EE) filings due on October 2, 2023**
 - BD proposal budgets may scale up to an annual cap of 7%, 8% and 9% of total program budgets for the next triennial

Building Decarbonization



Potential Measures

- **Heat pumps for space heating, may include**
 - Air source
 - Ground source/geothermal
 - Air to water
 - Hybrid heating configurations
 - Variable Refrigerant Flow
 - Network geothermal
- **Heat pumps for water heating**
- **Cooking**
- **Dryers**
- **Industrial processes (case by case)**
- **Outdoor lawn equipment**



Some measures likely to only be included in electric utility proposals

Other Considerations

- Alignment with energy efficiency programs
- Approach through multiple program paths (e.g. prescriptive rebates vs. comprehensive upgrades)
- Approach for Low to Moderate Income (LMI) customers and residents in Overburdened Burdened Communities (OBC)
- Future inclusion of Inflation Reduction Act incentives
- Engagement of trade allies, including installers and distributors
- Approach to Quality Control (QC)
- Data collection requirements to support Evaluation, Measurement and Verification (EM&V)
- Address sector specific conditions (e.g. Multi-family ownership structures)

Demand Response

General DR Program Designs

- **Target residential and small commercial customers**
- **Potential program approaches:**
 - Direct load control – residential and small commercial
 - May include devices with connectivity, including smart thermostats, water heating, etc.
 - Incentive to join program, plus further annual incentive for continued participation
 - Potential for gas demand saving with different program details
 - Behavioral – residential only
 - Provide customers with advance notice of peak-load days with request to reduce usage
 - May provide incentive for curtailing energy use during an event
 - Use AMI data to determine energy savings during events
 - Different strategies for gas utilities that lack AMI data





Thank You



Stakeholder Comments

Registered speakers will be called upon with a 5 minute time limit. If time permits others will be allowed to share their thoughts.
