

State Energy Efficient Appliance Rebate Program Program Plan Narrative – New Jersey

Executive Summary

Program Summary.

Briefly describe your overall program approach, including goals, objectives, and estimated benefits for your State or Territory.

The State of New Jersey will make use of the ARRA funding for appliances through its existing state efficiency program, the New Jersey's Clean Energy Program (NJCEP). The products selected for the funding will both compliment and expand on the current list of efficient products offered through the residential Energy Efficient Products and Gas & Electric HVAC programs. The NJCEP will work with its current retail and contractor partners to effectively role out the programs expand on this network and look to incorporate the participation of individual utilities to raise awareness of the program offerings.

The objectives of the State are to :

1. Use the funds to promote the early replacement of existing appliances and HVAC equipment with Energy Star rated equipment and ultimately reduces New Jersey residents' annual household energy use. This reduction will be part of a more comprehensive goal set forth in New Jersey's Energy Master Plan, to achieve 20% energy savings by 2020.
2. Release the funds quickly to stimulate the economy of New Jersey and create jobs, increase the market share of Energy Star equipment in retailer storefronts and contractor HVAC installations, create a heightened awareness of efficiency and identify the State's efficiency program, NJCEP, as an advisor in achieving greater energy savings for New Jersey residents.
3. Compliment the NJCEP's existing efficiency initiatives for natural gas and public electric utility customers and expand to reach residents statewide to include municipal electric utility and electric cooperative customers, as well as residents heating with oil or propane.

The goals of the State are to:

1. Utilize all of the State's available funds, but maintaining sufficient controls to avoid oversubscription.
2. Create additional partnerships between the NJCEP and retailers and contractors.
3. Work with retailers, utilities and contractors to have a massive, coordinated marketing blitz around Earth Day, but expanding it out to the entire month of April.
4. Achieve over 24,000 MWh and 340,000 therms of annual savings for the State.
5. Reduce carbon emissions through these savings by over 45 million pounds of CO₂ annually.
6. Create 90+ jobs within the State during 2010 through the expansion of the NJCEP programs with ARRA funding.

Outline your specific program objectives in Table 1. All savings numbers should be calculated using the Program Planning Excel Spreadsheet tool.

Table 1. Program Objectives	
Program Objective	Target Value
Total Number of Rebates Paid	82,882
Total Number of Appliances Replaced	58,658 ¹
Total Number of Appliances Recycled	58,658 ²
Total Annual Energy Savings (kWh)	24,449,974
Total Annual Energy Savings (Therms)	347,379
Total Annual Water Savings (gallons)	109,193,750
Total Annual CO ₂ Reductions (lbs)	45,802,785
Jobs Created*	90

* DOE is waiting for specific OMB guidance on how to quantify jobs created for reporting purposes. In the meantime, the general guidance is that every \$92,000 expended leads to one "job created."

Enter a comprehensive timeline with key milestones for your program in Table 2. When will key decisions be made? When will the program be announced? How long will it last? Please add your own milestones as needed.

Table 2. Program Timeline and Milestones	
Program Milestones	Target Date
Announce program	Jan 1 st , 2010
WarmAdvantage & CoolAdvantage program expansion w/ ARRA (Year round duration)	Jan 15 th , 2010
Laundry & Kitchen Appliances Start - Earth Month	Apr 1 st , 2010
Laundry & Kitchen Appliances End	April 30 th , 2010 ³
Optional 2 nd program period start (Energy Awareness Month)	Oct 1 st , 2010
Optional 2 nd program period end	Oct 30 th , 2010
Official end of program	Dec 31 st , 2010

¹ Total number of appliances replaced is estimated at 90% of the appliance rebates paid excluding the refrigerator/freezer early retirement and solar rebates.

² Estimate reflects 100% of all replaced appliances, as recycling of white goods, including HVAC equipment, is required by New Jersey law.

³ The end date may be curtailed based on subscription rates in the first 1-2 weeks of the promotional period.

I. Program Overview

Please populate the Program Planning Excel Spreadsheet before completing this section. All data in the tables below should correspond with the data in the Excel spreadsheet. Please include an estimate of the total number of appliances that will be recycled through your program, where applicable.

Products to be Rebated	Rebate Level (\$) ⁴	Targeted Quantity	Total Cost	Targeted # of Products Recycled
Clothes Washers (1/1/11 Criteria)	\$35	15,000	\$175,000	13,500
Dishwashers (8/11/09 Criteria)	\$25	10,000	\$250,000	9,000
Dishwashers (7/1/11 Criteria)	\$50	5,000	\$250,000	4,500
Refrigerators (Energy Star)	\$75	15,000	\$1,125,000	13,500
Refrigerators (CEE Tier 2)	\$100	2,000	\$250,000	1,800
Refrigerators (ERP)	\$50	17,000	\$875,000	N/A
Water Heater (Electric Heat Pump 1/1/09 Criteria)	\$250	1,500	\$250,000	1,350
Water Heater (Gas Storage 1/1/09 Criteria)	\$25	4,000	\$87,500	3,600
Water Heater (Gas Tankless 1/1/09 Criteria)	\$300	100	\$15,000	90
Solar (gas back-up)	\$1200	707	\$720,000	N/A
Central Air Conditioners	\$300	1,000	\$300,000	900
Air Source Heat Pumps	\$300	75	\$22,500	68
Ground Source Heat Pumps	\$400	50	\$12,000	45
Oil Furnaces	\$300	2,500	\$750,000	2,250
Gas Furnaces	\$300	250	\$60,000	225
Oil Boilers	\$300	7,900	\$2,355,000	7,110
Gas Boilers	\$300	800	\$234,000	720
Total Rebates		82,882	\$8,330,900	58,658

II. Explanation of Covered Products

If all of the State's proposed products are from the recommended list included in the FOA, then no additional explanation is needed. You can skip to the next section. If other ENERGY STAR qualified products or cold-climate products are proposed, then you must provide a

⁴ Proposed rebate levels were set to 10-15% of the average Energy Star product retail price based on retailer recommendations or to match existing NJCEP rebate levels. Incrementally higher rebates were proposed for higher tier products.

justification for each product. Data for these additional products must also be included in the Program Planning Excel Spreadsheet.

Justification for ENERGY STAR or cold-climate appliances not on the recommended list.

For each product selected, explain why it will provide significant benefits in your State/Territory, the annual per-unit energy savings, estimated annual sales of product in your State (market share), and price difference between the proposed product and the standard efficiency alternative. Include any other explanation you feel justifies the inclusion of this product in your program.

Product: Energy Star Refrigerators (CEE Tier 2 – 25% above Federal standard)

Annual per-unit Energy Savings: 131 kWh

Estimated Sales or Market Share in your State: 5%

Price Difference: \$140 (Efficiency VT program data)

Explanation on how this product benefits your State: In supporting standard program design for NJCEP, an effort is often made to differentiate the higher performance products to promote market transformation.

Product: Refrigerator Early Retirement Program

Annual per-unit Energy Savings: 950 kWh (NJCEP Protocols to Measure Resource Savings – 2007)

Estimated Sales or Market Share in your State: 21% (2nd fridge penetration from the 2005 DOE EIA Residential Energy Consumption Survey for the Middle Atlantic)

Price Difference: N/A

Explanation on how this product benefits your State: Removal of old, under utilized secondary appliances from homes and also preventing their reintroduction on the electrical grid provides significant energy and demand reductions for the state.

Product: Ground Source Heat Pumps

Annual per-unit Energy Savings: 1,875 kWh (NJCEP Protocols to Measure Resource Savings – 2007)

Estimated Sales or Market Share in your State: 1-2%

Price Difference: \$5000 (NWAlliance Report Market Assessment, 2000)

Explanation on how this product benefits your State: Along with Air Source Heat Pumps,

this technology provides significant savings potential and is currently part of the NJCEP CoolAdvantage program, but would be made available statewide with ARRA funds supporting systems installed in municipal electric utility and electric cooperative service territories.

III. Integrating SEEARP Rebates with Existing State or Utility Incentives

States must design their SEEARP rebates to complement existing State or utility incentives available to local residents. In addition, States must ensure that the ARRA funds supplement and do not supplant current efforts. In the table below, please note for each product you propose to rebate whether there are any current (or planned) State rebates or tax credits, or any utility rebate programs. Please base this on what is planned for 2010-2011.

Products to be Rebated	Other State Rebate or Tax Incentive Available? (Yes / No)	Utility Rebates Available? (Yes / No)
Clothes Washers (1/1/11 Criteria)	Yes	No
Dishwashers (8/11/09 Criteria)	No	No
Dishwashers (7/1/11 Criteria)	No	No
Refrigerators (Energy Star)	No	No
Refrigerators (CEE Tier 2)	No	No
Refrigerators (ERP)	Yes	No
Water Heater (Electric Heat Pump 1/1/09 Criteria)	No	No
Water Heater (Gas Storage 1/1/09 Criteria)	Yes	Yes
Water Heater (Gas Tankless 1/1/09 Criteria)	Yes	Yes
Solar (gas back-up)	No	No
Central Air Conditioners	Yes	Yes
Air Source Heat Pumps	Yes	Yes
Ground Source Heat Pumps	Yes	Yes
Oil Furnaces	No	No
Gas Furnaces	Yes	Yes
Oil Boilers	No	No
Gas Boilers	Yes	Yes

For those products where there will be other rebates or incentives available, please list each of the individual programs in the table below. Complete one table for each applicable product. You do not need to list utility programs offered for products you will not be rebating. Include the name of the sponsoring organization (i.e., the utility or other program sponsor), the efficiency level being used (such as ENERGY STAR), the rebate amount, when the program will be in operation, and budgeted number of rebates if known. Then explain how the State’s proposed

rebate level is designed to complement these other efforts. Some possible explanations are noted below. You can copy the table as many times as needed.

Product 1: (Clothes Washer)				
Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	CEE Tier 3 (MEF 2.2)	\$75	2010	30,000
How does State's Proposal Complement these Programs? (Check all that apply)				
	Layering on top of existing rebates to increase total incentive payment to consumers.			
X	Directing State rebate to products at a different or higher efficiency level.			
	Extending the availability (i.e., the quantity) of existing planned rebates.			
	Other (Please Explain)			

Product 2: Refrigerator/ Freezer Early Retirement Program				
Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	10-30 cu ft & operable	\$50	2010	20,000
How does State's Proposal Complement these Programs? (Check all that apply)				
	Layering on top of existing rebates to increase total incentive payment to consumers.			
	Directing State rebate to products at a different or higher efficiency level.			
	Extending the availability (i.e., the quantity) of existing planned rebates.			
X	Other (Please Explain) Although coordinated through the existing NJCEP refrigerator early retirement initiative for secondary refrigerators, the State rebates will be directed towards the removal of the replaced primary refrigerators with the purchase of a rebated Energy Star refrigerator.			

Product 3: Water Heater – Gas Storage (Propane)				
Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	EF 0.62	\$25	2010	3,500
Elizabethtown Gas	EF 0.82	\$75	2010	1,000

How does State's Proposal Complement these Programs? (Check all that apply)	
	Layering on top of existing rebates to increase total incentive payment to consumers.
	Directing State rebate to products at a different or higher efficiency level.
	Extending the availability (i.e., the quantity) of existing planned rebates.
X	Other (Please Explain) Extending the NJCEP WarmAdvantage program for natural gas customers to residents using propane as their heating source. Propane hot water heaters are supported through the NJCEP Home Performance program, but are not incentivized as specific technologies.

Product 4: Water Heater – Gas Tankless (Propane)				
Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	EF 0.82	\$300	2010	50
Elizabethtown Gas	EF 0.82	\$200	2010	250
How does State's Proposal Complement these Programs? (Check all that apply)				
	Layering on top of existing rebates to increase total incentive payment to consumers.			
	Directing State rebate to products at a different or higher efficiency level.			
	Extending the availability (i.e., the quantity) of existing planned rebates.			
X	Other (Please Explain) Extending the NJCEP WarmAdvantage program for natural gas customers to residents using propane as their heating source. Propane hot water heaters are supported through the NJCEP Home Performance program, but are not incentivized as specific technologies.			

Product 5: Central Air Conditioners				
Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	SEER 14.5	\$300	2010	1,000
How does State's Proposal Complement these Programs? (Check all that apply)				
	Layering on top of existing rebates to increase total incentive payment to consumers.			
	Directing State rebate to products at a different or higher efficiency level.			
	Extending the availability (i.e., the quantity) of existing planned rebates.			
X	Other (Please Explain) Extending the NJCEP CoolAdvantage program for public utility customers to municipal			

	electric utility or electric cooperative customers.
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Product 6: Air Source Heat Pumps

Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	>= 8.2 HSPF/ >=14.5 SEER/ >=12 EER* for split systems; >= 8.0 HSPF/ >=14 SEER/ >=11 EER* for single package equipment including gas/electric package units	\$300	2010	75

How does State's Proposal Complement these Programs? (Check all that apply)	
	Layering on top of existing rebates to increase total incentive payment to consumers.
	Directing State rebate to products at a different or higher efficiency level.
	Extending the availability (i.e., the quantity) of existing planned rebates.
X	Other (Please Explain) Extending the NJCEP CoolAdvantage program for public utility customers to municipal electric utility or electric cooperative customers.

Product 7: Ground Source Heat Pumps

Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	Open Loop: >=3.6 COP; >=16.2 EER Closed Loop: >=3.3 COP; >=14.1 EER Direct Expansion (DX): >=3.5 COP; >=15	\$400	2010	30

	EER			
How does State's Proposal Complement these Programs? (Check all that apply)				
	Layering on top of existing rebates to increase total incentive payment to consumers.			
	Directing State rebate to products at a different or higher efficiency level.			
	Extending the availability (i.e., the quantity) of existing planned rebates.			
X	Other (Please Explain) Extending the NJCEP CoolAdvantage program for public utility customers to municipal electric utility or electric cooperative customers.			

Product 8: Gas Furnaces				
Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	AFUE >=90%	\$300	2010	200
New Jersey Natural Gas	AFUE >=90%	\$900	2010	1000
South Jersey Gas	AFUE >=90%	\$900	2010	900
Elizabethtown Gas	AFUE >=90%	\$900	2010	600
How does State's Proposal Complement these Programs? (Check all that apply)				
	Layering on top of existing rebates to increase total incentive payment to consumers.			
	Directing State rebate to products at a different or higher efficiency level.			
	Extending the availability (i.e., the quantity) of existing planned rebates.			
	Other (Please Explain) Extending the NJCEP WarmAdvantage program for natural gas customers to residents using propane as their heating source. Propane furnaces are supported through the NJCEP Home Performance program, but are not incentivized as specific technologies.			

Product 9: Gas Boilers				
Program Sponsor	Efficiency Level	Rebate Amount	When Available	Budgeted Quantity Of Rebates
New Jersey Clean Energy Program	AFUE >=85%	\$300	Year round	780
New Jersey Natural Gas	AFUE >=90%	\$900	2010	4000
South Jersey Gas	AFUE >=90%	\$900	2010	3600
Elizabethtown Gas	AFUE >=90%	\$900	2010	2300
How does State's Proposal Complement these Programs? (Check all that apply)				
	Layering on top of existing rebates to increase total incentive payment to consumers.			
	Directing State rebate to products at a different or higher efficiency level.			

	Extending the availability (i.e., the quantity) of existing planned rebates.
	Other (Please Explain) Extending the NJCEP WarmAdvantage program for natural gas customers to residents using propane as their heating source. Propane boilers are supported through the NJCEP Home Performance program, but are not incentivized as specific technologies.

IV. Program Implementation Strategy

A. Program Delivery – Roles and Responsibilities

Explain who will manage and deliver the State’s program. Outline the role of the State and any subcontracted delivery agents, such as third party program implementers, local utilities, recyclers, retailers, etc. Explain your plan for quality assurance for data collected. If using utilities to deliver program, explain how the State will ensure that all residents can participate in the program.

The primary management of New Jersey’s program will be through its existing efficiency program, the New Jersey Clean Energy Program. The residential products sector of the program is contracted on a year-to-year basis, and is currently contracted to Honeywell for program implementation.

Honeywell works with individual retailers and contractors to partner with NJCEP to extend the services and processes necessary to bring efficient products to New Jersey residents.

In both the WarmAdvantage and CoolAdvantage programs, the NJCEP works with qualified contractors to offer rebates on heating and cooling equipment to residents who are customers of the gas and electric utilities that pay in to the rate payer funded program. In order to expand this program to be statewide, ARRA funds will be used to offer matching incentives to the residents, who heat with oil or propane or are customers of municipal electric utilities or electric cooperatives. Although recycling is not typically a component of these programs, the state and the NJCEP will make efforts to provide guidance to the participating contractors to ensure the heating and cooling equipment is recycled according to the laws of the State of New Jersey.

For the refrigerator and freezer early retirement program, in 2009 Honeywell released an RFP soliciting third party implementation of the program, including quality control. JACO Environmental, who is an EPA RAD partner, was awarded the contract and will expand the program in 2010. The criteria for qualifying refrigerators and freezers and the process that the awarded contractor must fulfill, provides a high level of tracking of individual units and quality control over the program. It is expected that as part of this initiative, there will be several retail partners that will partner with the program to limit the number of trucks on the road and expand the program to reach more residents.

For the kitchen and laundry appliances, the NJCEP works with retail partners to promote in-store signage promoting the efficient products as well as to provide accurate accounting of the units sold through the program. It is expected that in order to provide NJCEP and the State with an

accurate gauge of the level of subscription to the program, that NJCEP will utilize both point-of-sale (POS) instant rebates as well as mail-in coupons (primarily for the smaller, independent retailers). The mail-in coupons will ensure that the program is available state-wide to all residents and encourage greater retail participation. It is expected that retailers will provide a high level of marketing support to the initiatives during the promotional period. Many of the retailers that sell appliances have their own delivery trucks or contract to third party delivery companies. Some of these retailers, especially the larger ones, also have existing recycling programs that would expand the initiatives of the program. The NJCEP will work with the retailers to promote recycling in the case of replaced equipment, but segmenting the rebates to enforce this appears to be prohibitively difficult and may reflect poorly on the program participation. As recycling of white goods is required in the state of New Jersey, recycling of replaced appliances through the ARRA funding is listed at 100%. The NJCEP will work with the solid waste districts to raise awareness of the programs and to provide advanced notice of an increase in white goods through the promotional period. Additionally, in the case of refrigerators received through the NJCEP initiatives, both the ozone depleting refrigerants and insulating foam agents are recovered through the recycling process.

Efficient Products Quality Assurance

For promotions featuring customer rebates, documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all rebate program participants. All applications are reviewed as they are processed for verification of the documentation that the equipment meets program requirements.

Each application and its information are entered into a database that allows checking for duplicate applicants through an equipment serial number comparison. On an ongoing basis, 2-5% of all rebate applications are selected for a quality assurance review and/or follow-up telephone customer survey to verify the information on the application and to confirm that the rebate was received.

In addition to the above, the Energy Efficient Product Program field representatives visit the participating storefronts to verify that Program products have been received and have been displayed properly according to program requirements. If necessary they will help unpack the products, and put them on display with the required program materials, as well as train sales staff about Program rebates and the energy savings a customer might expect from purchasing a Program product. Performance reports are provided to the program managers to assist in developing future promotions.

HVAC Quality Assurance

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all incentive program participants. All applications are reviewed as they are processed for verification of the documentation of qualifying equipment efficiency rating, proper sizing and proper installation. Qualifying electric equipment efficiency levels are verified with the ARI/CEE directory of air conditioning and heat pump equipment. Each application and its information are entered into a database which checks for duplicate applicants through an equipment serial number comparison.

Qualifying fuel equipment efficiency levels are verified with the GAMA directory of heating equipment. Each application and its information are entered into a database, which checks for

duplicate applicants through an equipment serial number comparison.

On an ongoing basis, a minimum of 5% or 1,000 units per technology type of both electric and gas rebate applications are selected for a quality assurance review and inspection. Assurance includes a paperwork review of the application and a field inspection to verify qualifying equipment installations and proper installation. A field inspection report is prepared for each inspection.

B. Program Partners

List other parties the State will collaborate with to deliver its program, including retailers, contractors, local utilities, nonprofit groups, outreach partners, neighboring States, etc. Please describe any Recommendations for Proposals if issued by the State and criteria for selection. Please describe any new networks created.

Refrigerator ERP

- JACO Environmental (2009-2010 RERP implementation partner)
- Criteria (Experience, turnkey services, per unit cost and high level of quality control)

Retail Partners (Likely to expand in 2010):

As the State will not be using any of the ARRA funding to support administrative costs, there was no immediate need to identify specific retail partners for participation. It is expected that all current retail partners of NJCEP will look to participate during the promotional period(s). Additionally, all retailers in the program are Energy Star Paartners.

HVAC Contractor Partners (Likely to expand in 2010):

As the State will not be using any of the ARRA funding to support administrative costs, there was no immediate need to identify specific HVAC contractor partners for participation. It is expected that all current retail partners of NJCEP will look to participate during the promotional period(s), though it should be noted that the NJCEP has specific requirements for this group depending on product type.

In general, the NJCEP will work with regional states in the Northeast to identify collaborative efforts where possible.

C. Rebate Processing

Explain how rebates will be paid to consumers in a timely fashion. Examples include mail-in rebate applications and instant rebates provided by participating retailers at the point of sale. For mail-in rebates, please specify the method of payment (e.g., direct deposit, check, etc.). Note who will process the rebate payments and how quickly consumers will receive rebates. Explain how the State will handle customer inquires about their rebates and remedy any problems. If rebates will be paid in conjunction with utility rebates, then explain how the commingled funds will be tracked. Also describe how the State will ensure it can handle a high volume of rebate requests in a timely fashion and track the remaining budget to avoid oversubscription.

It is expected that larger retailers will participate in a POS rebate system to expedite payments in addition to allowing the program to have faster insight to the availability of funds. For mail-in or online coupons, more traditionally used with smaller retailers and contractor installed systems, rebates are expected to be processed in a 8-12 week period. The breakdown of POS to mail-in is expected to be around a 60-40% mix. A fully operational call center currently exists through the NJCEP that processes all inquiries into the program and associated rebates.

Rebates are processed initially by Honeywell for quality assurance and submitted to the BPU for approval. After approval the funds are allocated to Honeywell and the checks are mailed to either the consumers receiving rebates or to reimburse retailers for POS rebates.

D. Program Eligibility Rules

Outline the specific eligibility rules the State will utilize for its program. This should include a definition of eligible applicants, including who can apply, number of rebates per household, residency requirements, etc.

- Residency requirements are for the State of New Jersey. NJCEP will work with retailers and contractors to provide sufficient data as to the customer's eligibility as a NJ resident, typically through billing or delivery zipcode for POS or address for mail-in coupons.
- Although the ARRA funds used in the WarmAdvantage and CoolAdvantage programs specifically identify eligible applicants, the comprehensive NJCEP program will allow for statewide participation.
- As this program is focused on the replacement of inefficient equipment with Energy Star equipment, the NJCEP will look to limit each household to one rebate. In the case of POS rebates, the ability to limit the number of purchases is more difficult, due to the amount of information that retailers are able to share with NJCEP. We will look to work with retailers to incorporate a level of accountability through their systems to limit the rebate to one per household. The single exception to this is the refrigerator/freezer early retirement program, which limits the number of rebated units to two.

E. Product Replacement

Outline the various steps the State will take to target its program toward the replacement of existing appliances. Some examples include eligibility criteria, rebate structure, and recycling efforts.

The appliances that are listed for ARRA funding are typically only found in single instances of existing households based on EIA DOE 2005 RECS data. An exception is refrigerators, in which a little over 20% of homes are estimated to have secondary refrigerators.

In 2009 the NJCEP initiated a program for the retirement of secondary, old and inefficient refrigerators and freezers. We expect to use the ARRA funding to expand this program to include refrigerators replaced by the rebated efficient units. Additionally, the existing retailer partnerships with recycling entities and state-level requirements for white good separation for recycling at solid waste districts create a comprehensive recycling effort within the state.

The qualifying appliances listed above for ARRA funding in New Jersey, are typically delivered

by way of retailer delivery trucks and a large percentage of the replaced appliances are removed in the same trip. The NJCEP will work with retailers to expand their current efforts to ensure that the replaced appliances are recycled and not introduced back on the grid through a secondary market. Due to state level guidance, the NJCEP is not allowed to utilize ARRA funding for any administrative costs and will have to rely on the partnerships with retailers and contractors to implement and provide quality control on those removal efforts.

F. Product Recycling

Specify for which products, if any, the State will be requiring recycling. As noted in the FOA, this is most appropriate for refrigerant-containing appliances such as refrigerators, freezers, and room air conditioners.

In the state of New Jersey, all white goods are required by law to be recycled. White goods are defined to include heating and cooling equipment in addition to standard appliances.

As stated in the previous section, the existing program initiative of the NJCEP for retiring secondary refrigerators will be expanded through the ARRA funding to include the replaced refrigerators during the purchase of an Energy Star unit . Jaco, the third party implementer meets EPA RAD specifications for proper recycling and tracking of the units throughout the process.

The NJCEP will look to partner with retailers with either existing recycling programs or to initiate ones during the promotional period and prevent the reintroduction of the replaced equipment back into service. Although verification of removal of replacements would be difficult and expensive to implement, the NJCEP will look to review retailer plans before partnering.

If you are requiring recycling, please outline your basic approach. (You may also include a more complete recycling plan as an optional attachment to your application.) Who will administer the recycling component? How will the products be collected? Who will handle the actual decommissioning, and how will recycling be verified or reported?

An implementation contract for 2009-2010 was awarded to JACO, a turn key service provider that meets the NJCEP criteria set forth by the program for individual appliance tracking, proper recycling of materials and recovery of CFC-containing foams and refrigerants.

Additionally, the NJCEP will work with participating contractors and retailers to utilize the existing recycling infrastructure of New Jersey. As stated earlier, 100% of white goods, including HVAC equipment, are required by law to be recycled.

Spell out the applicable recycling laws in your State. The State environmental management departments and recycling and landfill permits agencies are good sources for this info.

The State of NJ enacted a tax upon the tonnage of solid waste and required individual counties to establish recycling plans in 2008. White goods are required to be separated from other solid waste for identification for recycling. Additionally, the EPA guidelines for proper disposal and tracking of refrigerants establish the base line for refrigerator and freezer recycling.

Additional recycling requirements vary at the county level, but recently major retailers in New Jersey have adopted their own recycling processes to prevent the reintroduction of replaced equipment on to the grid. The NJCEP will work with all retailers to promote recycling as part of any ARRA funded rebates for appliances.

G. Marketing and Outreach

Outline steps the State will take to promote the rebate program, including informing residents of the start date, eligibility rules, funds remaining for rebates; and, if used, the application process. List outreach tools the State will use, (e.g., press releases), Web sites, e-newsletters, e-lists, Public Service Announcements (PSAs), advertisements, print materials, earned media (interviews, articles written). Does the State intended to become an ENERGY STAR partner and use ENERGY STAR materials?

In addition to the annual marketing initiatives outlined in the NJCEP program filings to support Energy Efficient Products and HVAC, the State will look to utilize the State website to link back to the main NJCEP website for specific program information and funding availability. It is expected that additional press releases outlining the program and timing will compliment the marketing guidance that we put out to the participating retailers and contractors. It is also expected that this activity will generate significant earned media around the specific launch dates of the promotion, that will further the marketing outreach.

Currently, the New Jersey Clean Energy Program is an Energy Star partner and utilizes Energy Star promotional materials both in its own website and marketing material, but also with the in-store signage proposed by participating retailers.

The State of New Jersey has received several requests from national retailers looking to partner in the states ARRA funding program. All retailers currently partnering with the NJCEP are also Energy Star Partners.

Explain how the State will keep consumers informed regarding the status of available funding for rebates and product types to meet consumer expectations. What disclaimers will you include in program materials and rebate applications? Will you rely on a first-come first-served policy for processing rebate payments? Will you announce to the public when funds are nearly depleted? Please be specific.

The State plans to use the NJCEP website as the primary point for updated program information, including the status of available funding for rebates and the list of qualified products. The program will include a disclaimer about the limited availability of funds, but is prepared to use the refrigerator retirement program as a contingency element to either ramp up or ramp down

based on subscription to the other initiatives. Through the use of POS sales data, updates to the availability of funds should reduce the chances of over subscription of any one product area, but ensure that a program level oversubscription does not happen.

V. Oversight and Reporting

A. Oversight

Each State is responsible for overseeing the successful implementation of its program, even if the actual delivery is being subcontracted to another organization. Please summarize what oversight mechanisms the State will put in place for quality assurance and to minimize fraud.

As identified earlier, Honeywell in its administration of the NJCEP, includes quality assurance as a key component to its program implementation work. The New Jersey Board of Public Utilities oversees the execution of the contract with Honeywell and reviews its filings and processes to insure accountability on all levels. The quality assurance mechanisms for the two applicable programs (Products and HVAC) are detailed in Honeywell's annual submission of its program filing with the BPU and are described below:

Efficient Products Quality Assurance

For promotions featuring customer rebates, documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all rebate program participants. All applications are reviewed as they are processed for verification of the documentation that the equipment meets program requirements.

Each application and its information are entered into a database that allows checking for duplicate applicants through an equipment serial number comparison. On an ongoing basis, 2-5% of all rebate applications are selected for a quality assurance review and/or follow-up telephone customer survey to verify the information on the application and to confirm that the rebate was received.

In addition to the above, the Energy Efficient Product Program field representatives visit the participating storefronts to verify that Program products have been received and have been displayed properly according to program requirements. If necessary they will help unpack the products, and put them on display with the required program materials, as well as train sales staff about Program rebates and the energy savings a customer might expect from purchasing a Program product. Performance reports are provided to the program managers to assist in developing future promotions.

HVAC Quality Assurance

Documented policies and procedures provide proper guidelines to ensure consistency in the processing and quality control for all incentive program participants. All applications are reviewed as they are processed for verification of the documentation of qualifying equipment efficiency rating, proper sizing and proper installation. Qualifying electric equipment efficiency levels are verified with the ARI/CEE directory of air conditioning and heat pump equipment.

Each application and its information are entered into a database which checks for duplicate applicants through an equipment serial number comparison.

Qualifying fuel equipment efficiency levels are verified with the GAMA directory of heating equipment. Each application and its information are entered into a database, which checks for duplicate applicants through an equipment serial number comparison.

On an ongoing basis, a minimum of 5% or 1,000 units per technology type of both electric and gas rebate applications are selected for a quality assurance review and inspection. Assurance includes a paperwork review of the application and a field inspection to verify qualifying equipment installations and proper installation. A field inspection report is prepared for each inspection.

B. Progress Reporting

As outlined in the FOA, States are required to submit a progress report for all activities on a quarterly basis. **DOE will issue clarification shortly on any additional reporting requirements with specific Excel tools for ease of reporting.** States should plan staffing accordingly to accommodate monthly tracking of the metrics listed below, as well as potential Recovery Act reporting.

This reporting does not replace any additional reporting required under The American Recovery and Reinvestment Act of 2009, Pub. L. 111-5. Additional monitoring and reporting guidance will be forthcoming. Please refer to your FOA for detailed information.

Notes on Metrics:

Total # of State Rebates Paid

Although reporting will be quarterly, the State must track rebates paid monthly for each category of appliances selected.

Total # of other State/Utility Rebates Paid

Based on the listing of other State and utility programs in the State, as supplied in Section III., above, the State must report the rebates actually paid to consumers by other State or utility programs.

Total # of Appliances Recycled

Based on management of recycling as detailed in section F of the Program Implementation Strategy, explain how the State will collect information on appliances recycled by type over the reporting period.

Number of Jobs Created

For all project types, the number of jobs that are created or retained during the reporting period should be reported; each job should only be reported once. This number must be based on actual employees. If actual jobs cannot be verified, the state may propose its own methodology for estimating jobs; this methodology must be approved in advance.

Estimated Energy Saved and CO₂ emissions avoided

States are expected to provide the interim estimated benefits due to the rebates provided. This primarily takes the form of annual energy savings and CO₂ abatement due to activity in the period. For example, if 1000 rebates were delivered in the quarter, report the expected annual savings due to the appliances sold. The reporting framework will include an estimate calculation of kWh, BTU saved and CO₂ for each specific appliance. The State may report this value or values based on its own methodology, with justification and approval.

VI. Applicant Contact Information

State Program Contact One (Business Officer) (The person who is responsible for the day-to-day management, including progress reporting.):

Name and Title: Sharon Wolfe, Administrative Analyst
Agency: New Jersey Board of Public Utilities
Email: sharon.wolfe@bpu.state.nj.us
Phone: (973) 648-7279

State Program Contact Two:

Name and Title: Mona Mosser, Bureau Chief
Agency: New Jersey Board of Public Utilities
Email: mona.mosser@bpu.state.nj.us
Phone: (973)648-2891

State Single Point of Contact to Comply with Executive Order 12372 (FOA, page 13):

Name and Title: Mona Mosser, Bureau Chief
Agency: New Jersey Board of Public Utilities
Email: mona.mosser@bpu.state.nj.us
Telephone: (973)648-2891

Website URL where the State application will post public communications:

www.bpu.state.nj.us

www.njcleanenergy.com

Contact Information for each sub awardee (expand as needed):

Company	Contact Person	Email	Telephone Number	Website URL