

May 21, 2024

*Submitted electronically*

Christine Guhl-Sadovy  
President  
Board of Public Utilities  
44 S. Clinton Avenue  
Trenton, NJ 08625

**RE: Docket NO. QO23100733 Request for Information in the matter of Implementation of IRA HER and HEAR Programs**

Dear President Christine Guhl-Sadovy,

Please find included here Opower's response to selected questions for feedback from the New Jersey Board of Public Utilities (NJBP or Board) Request for Information regarding the implementation of the Inflation Reduction Act (IRA) Home Efficiency Rebate (HER) and Home Electrification and Appliance Rebate (HEAR) programs.

Opower is part of Oracle Energy & Water, the largest software company dedicated to utility customer engagement. Opower's platform supports utility and state decarbonization, energy affordability, and energy management efforts. We implement behavioral energy efficiency, demand response, and customer engagement programs for 174 utilities across the US and around the world, including programs delivering energy efficiency savings in New Jersey.

Thank you for your consideration of these comments. Please reach out with any questions.

Sincerely,



Samantha Caputo  
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Opower/Oracle  
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**4. Does this approach address the unique needs of our state in terms of:**

- a) **the need for efficiency and electrification upgrades in multi-family buildings?**
- b) **the need for efficiency and electrification upgrades in low- to moderate-income households?**

The approach outlined by the Board begins to address the unique needs of low-to moderate- income (LMI) households by removing barriers to electrification adoption with wiring and electric panel upgrades. One of the main concerns with electrification programs is that even if a household is electrification-ready and can leverage incentives to afford heat pumps, the operations and maintenance costs may result in a higher energy burden due to the cost of electricity.

To address additional barriers LMI households may face such as high electric bills and energy affordability, we recommend the BPU consider rate options, bill assistance, and other energy efficiency programs that utilities, states, or local governments offer that could benefit IRA rebate participants. Like removing health and safety barriers for energy efficiency and electrification programs, the Board should ensure households are in the best financial position to pursue electrification as possible – that a household takes advantage of all available (now or in the future) energy and bill assistance programs as possible.

The Board is in a unique position as regulator of the utilities and the state energy office and should leverage this position to work with the utilities to better understand the bill impacts of electrification and other home upgrades. The following are examples of how this can be done:

1. Disaggregating the household's heating and cooling load to determine who has a particularly high HVAC load, indicating they may particularly benefit from weatherization and/or electrification.
2. Conducting a load shape analysis for targeted households (e.g., those with a high energy burden) to assess potential impacts of electrification.
3. If/when time varying rates become available in New Jersey, the Board may offer digital tools to help customers select the most beneficial rate.

These kinds of analyses can be conducted and presented to households via an online customer engagement platform.

**6. Do you have any other concerns regarding this approach or additional ideas for consideration?**

We recommend the Board consider a One Stop Shop (OSS) alongside its HER and HEAR program implementation<sup>1</sup>. Many states are implementing OSS to help residents navigate all the programs available, such as utility administered, and state programs to improve the efficiency of residential homes and pursue home electrification. The incentives, eligibility requirements, application requirements, and other aspects of the various programs will likely differ. For the average consumer, it will take significant effort to navigate and take advantage of every offer available to them. Opower

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<sup>1</sup> Opower provided additional comments regarding customer outreach and education to the Board, which can be found at: [https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document\\_id=1325883](https://publicaccess.bpu.state.nj.us/DocumentHandler.ashx?document_id=1325883)

believes a OSS and regular, personalized outbound communications can support households on their journey towards energy affordability.

Consumers will benefit from proactive communications that are most impactful when delivered at critical moments - when program application periods open, during seasonal transitions, if they are headed towards a high bill, etc. Personalized outbound communications can drive residents to an online, user-friendly OSS that leads them through a survey that will gauge eligibility and populate the OSS with recommendations tailored for every household. In Massachusetts, National Grid ran a successful pilot with Opower's Affordability Solution that incorporates a survey to populate the OSS. The survey results indicate Opower's identification analytics successfully targeted National Grid's priority residential segment with 73 percent of survey respondents eligible for LIHEAP. Of the 26,000 completed surveys, 19,000 customers had a household income at or below 60 percent Massachusetts' estimated state median income. Low-income residents in National Grid's pilot received an estimated \$290,000 in LIHEAP payments within three months. These results show that personalized, targeted, and informed engagement with residents can significantly increase enrollment and participation rates.

The OSS experience should always be personalized and available online for residents to find on their own or via other outreach activities. Opower recommends incorporating a survey component to the OSS as the best source of household data comes from the household themselves. In addition, the OSS should be integrated at either the utility or Board and incorporate a login component once the survey is completed so the recommendations presented in the OSS can be saved and revisited by the resident.