Jersey Central Power & Light
A FirstEnergy Company

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May 21, 2024

VIA DOCKET SUBMISSION

Sherri L. Golden, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue
P.O. Box 350
Trenton, New Jersey 08625
board.secretary@bpu.nj.gov

Re: I/M/O the Implementation of Federal Inflation Reduction Act HOMES (Home Efficiency Rebates) and HEEHR (Home Electrification and Appliance Rebates), BPU Docket No. QO23100733

Dear Secretary Golden:

Jersey Central Power & Light Company ("JCP&L" or the "Company") appreciates this opportunity to provide its comments on the Request for Information ("RFI") dated May 7, 2024 concerning the implementation of the federal Inflation Reduction Act ("IRA") Home Efficiency Rebate ("HOMES") and Home Electrification and Appliance rebates ("HEAR") formula funding. Specifically, JCP&L is responding to Question No. 6 with the Company's concerns regarding the proposed approach and additional ideas for the Board's consideration.

JCP&L commends the Board for its efforts to maximize the benefits made possible by IRA funds by specifically supporting efficiency and access to electrification for often hard-to-reach multifamily buildings in low-income neighborhoods. JCP&L supports the overall concept in Staff's proposal and the proposed recipients of these measures and rebates; however, the Company has some comments focused on ensuring good customer experience, the importance of close coordination with existing utility programs, and the attribution of program savings.

Customer Experience

The primary consideration in the proposed program design should be ensuring good customer experience. Creating distinct programs to implement the HOMES program, with services that are duplicative of existing utility programs, may cause customer and trade ally confusion and dissatisfaction, resulting in lowered participation and energy savings. Customers may be confused by separate customer outreach and marketing efforts for the HOMES and utility-run programs. Customers may also be confused by the need to apply for two programs for the same potential measure, two paths on rebates, and—potentially—two sets of contractors. This may also complicate customer decision making in how to determine which program best serves their needs.

Trade allies may also be confused by having to work with two program administrators with potentially different program requirements and knowing how to respond to customers when they have questions about the programs.

Coordination with Existing Utility Programs

JCP&L and other utilities have consistently taken the position that the best path for deployment of IRA funds is through partnering and coordinating with the existing energy efficiency ("EE") programs administered by the utilities. The proposal is silent on how this program will interact with the existing utility-led EE programs. The utilities have very aggressive EE targets to meet, and it is imperative that the State's program does not create barriers to participation, add burdensome administrative requirements or costs, negatively impact the customer experience, or otherwise undermine the ability of the utilities to meet their targets. As described in U.S. Department of Energy ("DOE") guidance, integrating rebates with existing programs provides a range of important benefits, including easier rebate access for households and contractors, streamlined and simplified intake and application processes to facilitate the customer experience, and further reduction of household costs through connections to other low-cost financing resources.[1] This approach also simplifies administrative aspects of the IRA funding. Data sharing, quality assurance and control, tracking and reporting, and evaluation, measurement, and verification ("EM&V") can all be streamlined by leveraging the existing programs and processes operated by the utilities and lower overall administrative cost so that more federal money can be used for customer rebates.

Savings Attribution and Program Administration

As a Program Administrator of the existing utility-led EE Programs with which the State's HOMES programs would coordinate, JCP&L recommends that the utilities should be allowed to claim full attribution of energy savings, regardless of the funding source. Doing so leverages well established processes including utility tracking and reporting and EM&V processes, simplifies and consolidates the tracking and reporting of the results of the combined funding sources, and improves transparency to all stakeholders. Further, it would ensure that utilities are not negatively impacted by the State's program in their ability to meet their energy savings targets. Since the DOE is not claiming savings towards a federal savings target, there would be no "double counting" and the 2018 Clean Energy Act (P.L. 2018, c. 17) clearly envisioned counting savings from all sources, including those that leverage federal dollars, in meeting the State's Clean Energy targets. See N.J.S.A. 48:3-87.9(c) ("A public utility may apply all energy savings attributable to programs available to its customers, including demand side management programs, other measures implemented by the public utility, non-utility programs, including those available under energy efficiency programs in existence on the date of enactment of P.L.2018, c.17 (C.48:3-87.8 et al.), building codes, and other efficiency standards in effect, to achieve the targets established in this section.").

[1] https://www.energy.gov/scep/slsc/home-energy-rebates-program/integrating-home-energy-rebates-existing-programs

Conclusion

For the above reasons, JCP&L recommends that Board Staff design their programs in a manner that coordinates with and leverages the existing utility programs to ensure good customer experience and the desired program participation and energy savings. JCP&L again thanks the Board for the opportunity to provide these comments. If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

Michael J. Martelo