

From: [Jim Miller](#)
To: [comments_EMP](#)
Subject: [EXTERNAL] NJ EMP Comments - Reducing Energy Consumption
Date: Monday, September 16, 2019 8:59:15 AM
Attachments: [image003.png](#)

Committee Members and colleagues,

My name is Jim Miller. I am a registered professional engineering in NJ and Vice President of Health Science & Higher Education at Concord Engineering Group. Concord is a consulting engineering company specializing energy efficient heating ventilating and air conditioning, plumbing and electrical power generation and distribution engineering for commercial, industrial and institutional buildings and campuses. I have engineered projects as a Trade Ally in the NJ Smart Start Buildings program, as an Approved Partner in the Pay for Performance New and Existing Buildings programs and as an Engineering Partner in the PSE&G Hospital Efficiency Program. Through these experiences I have had the opportunity to see how the different programs perform for building owners -- by making superior energy efficiency affordable and even desirable to measurably improve their business bottom line -- and how they perform for the rate payers in NJ by reducing strain on the generation and distribution grid, by reducing carbon, NOx and particulate emissions, and by hardening the infrastructure of critical institutions in the communities they serve.

I'd like to make two observations that I believe are critical to the success of the NJ Energy Master Plan:

1. The clean energy and energy efficiency programs that are **most accessible to building owners** (the most likely to be utilized) and that provide the greatest opportunity to **maximize energy use reduction** (and related emissions) have consistently been programs offered directly by the Utility Companies serving those customers and rate-payers, not State or Federal programs.
2. Utility-sponsored programs have the most **timely impact on energy efficiency investment** by building owners and offer the most **comprehensive and direct benefits to rate-payers** in the communities served by the Utility.

Utilities can tailor clean energy programs to the needs, priorities and greatest benefit to the building owners and rate-payers it serves. They have existing relationships with their rate-payers and the resources to educate, inform and guide building owners through the entire energy efficiency project life cycle, from Energy Audit through engineering design, construction and post-construction verification. Perhaps more importantly, they can structure programs for their customers under financial terms that are easy for Facility Manager to sell to the C-Suite, with no perceived risk, burden or administrative disincentive to make the investment in clean energy and energy efficiency projects. Energy efficiency projects are often (mistakenly) viewed as having high cost with little impact on bottom line compared to other investments a company may make in its business; they have low visibility to customers and most employees; they have high administrative costs associated with engineering and especially state/federal incentive program bureaucracy; and there is risk of rejection by incentive programs or that projects will not meet payback goals. Utilities can customize and streamline their programs to overcome these perceptions and minimize risk, ensuring a win-win-win – for the utility, for the customer and for the rate-payers. By reducing or even eliminating the need for capital investment by building owners, opportunities for deep energy cuts through large scope projects explodes. Rather than focusing on low-cost, quick payback

projects that will have nominal impacts on their overall energy consumption, building owners can feasibly look at doing large scale projects that will have a substantial impact on their energy usage and energy costs – substantial enough that it could free up operating capital from paying utility bills to instead be re-invested in growing the business, hiring more employees or, for a healthcare institution, improving the environment of care for its patients and the communities it serves.

Utility-led programs also have the greatest speed market, largely due to their existing and direct relationships with their customers, and this is critical to achieve the goals of the Energy Master Plan. The Engineering community can help accelerate implementation through our existing relationships with building owners and constructors, as well as our relationships with Utility companies. The teams are already in place – Utility, Owner and Engineer – to implement Utility-led programs immediately.

While my industry certainly benefits directly from clean energy and energy efficiency programs, the true gratification of coming to work every day comes from the impacts we know that our work is having on businesses and communities that use the buildings we design and construct – jobs, quality of life and the health, safety and welfare of the people of NJ. Utility company incentives are critical to enabling us to provide the best solutions for our clients and for our neighbors throughout the state in a timely and attractive manner. Please ensure that Utility-based engineered solutions programs continue to be supported and expanded as part of the EMP.

Regards,

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