#### CITY OF VINELAND

ORDINANCE NO.	2018-
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AN ORDINANCE REPEALING ORDINANCE NO. 94-83 AS AMENDED, CHAPTER 687: UTILITIES, ARTICLE VII: DEMAND SIDE MANAGEMENT RATES – SECTION § 687-68 HEAT PUMP REBATE PROGRAM.

WHEREAS, the City Council of the City of Vineland, on November 10, 1994, adopted Ordinance No. 94-83, entitled "AN ORDINANCE TO AMEND AND SUPPLEMENT THE CODE OF THE CITY OF VINELAND, CHAPTER 438, ENTITLED "UTILITIES" AND TO AMEND AND SUPPLEMENT ORDINANCE NO. 24, ENTITLED "AN ORDINANCE ESTABLISHING ELECTRIC LIGHT AND POWER RATES AND PRESCRIBING THE TERMS, CONDITIONS AND REQUIREMENTS FOR ELECTRIC LIGHT AND POWER SERVICE BY THE MUNICIPAL ELECTRIC UTILITY", AND THE AMENDMENTS THERETO"; and

WHEREAS, Ordinance No. 94-83 authorized the current Vineland Municipal Electric Utility Heat Pump Rebate Program which provides up to \$723.00 per ton for relatively high efficiency units and a single 5-ton unit could garner a rebate of \$3,615.00.

WHEREAS, the current rebate schedule was based on the Atlantic County Energy Heat Pump Rebate Program of the 1990's and efficiency levels have increased markedly since that time resulting in the City incentivizing relatively inefficient heat pump installations.

WHEREAS, the New Jersey Clean Energy Program offers The *COOL*Advantage Program which provides incentives of up to \$500.00 to New Jersey residents for installing, or replacing existing, energy-efficient Central A/C units, ductless mini-split AC systems, heat pumps, and/or geothermal heat pumps, which funding through the State Energy Program (SEP) has expanded eligibility to include municipal utility customers.

WHEREAS, in light of the changes and said incentives, the Vineland Municipal Electric Utility requests the repeal of Ordinance No. 94-83, the City of Vineland's Heat Pump Rebate Program under Chapter 687: Utilities, Article VII: Demand Side Management Rates – Section § 687-68 Heat Pump Rebate Program.

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Vineland that the City of Vineland's Heat Pump Rebate Program under Chapter 687: Utilities, Article VII: Demand Side Management Rates — Section § 687-68 Heat Pump Rebate Program is hereby repealed.

Passed first reading:		
Passed final reading:		
	President of Council	
Approved by the Mayor:		
	Mayor	
ATTEST:		
City Clerk	_	



#### **MEMORANDUM**

February 6, 2018



#### Revised

TO: ROBERT DICKENSON, BUSINESS ADMINISTRATOR

FROM: LISA LUCENA, ADMINISTRATIVE ANALYST

SUBJECT: REQUEST FOR REPEAL – HEAT PUMP REBATE PROGRAM UNDER

ARTICLE VII: DEMAND SIDE MANAGEMENT RATES AND INCENTIVES -

ORD. NO. 94-83

The current VMEU Heat Pump Rebate Program provides up to \$723 per ton for relatively high efficiency units. A single 5-ton unit could garner a rebate of \$3,615. VMEU's current rebate schedule was based on the Atlantic Energy Heat Pump Rebate Program of the 1990's. Efficiency levels have increased markedly since that time. We continue to incentivize installations as low as 12.0 SEER (seasonal energy efficiency ratio). Some geothermal heat pumps have energy efficiency ratios (EER) as high as 56 in open loop configuration. With our current program, we are incentivizing relatively inefficient heat pump installations.

The New Jersey Clean Energy Program offers The *COOL*Advantage Program which provides incentives of up to \$500 to New Jersey residents for installing, or replacing existing, energy-efficient Central A/C units, ductless mini-split AC systems, heat pumps, and/or geothermal heat pumps. Funding through the State Energy Program (SEP) has expanded eligibility to include municipal utility customers.

Therefore, in light of the changes and incentives mentioned above, we request the repeal of the City of Vineland's Heat Pump Rebate Program under Chapter 687: Utilities, Article VII: Demand Side Management Rates – Section § 687-68 Heat Pump Rebate Program - Ordinance No. 94-83.

If you have any questions regarding this request, please feel free to contact me.

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Cc: John Lillie John Boyle Gus Foster Tom Van Noord

Approved by:

John Lillie, Director of VMU

# CITY OF VINELAND ORDINANCE NO. 94-83

AN ORDINANCE TO AMEND AND SUPPLEMENT THE CODE OF THE CITY OF VINELAND, CHAPTER 438, ENTITLED "UTILITIES" AND TO AMEND AND SUPPLEMENT ORDINANCE NO. 24, ENTITLED "AN ORDINANCE ESTABLISHING ELECTRIC LIGHT AND POWER RATES AND PRESCRIBING THE TERMS, CONDITIONS AND REQUIREMENTS FOR ELECTRIC LIGHT AND POWER SERVICE BY THE MUNICIPAL ELECTRIC UTILITY", AND THE AMENDMENTS THERETO.

WHEREAS, the City Council of the City of Vineland, on September 9, 1952, adopted Ordinance No. 24, entitled "AN ORDINANCE ESTABLISHING ELECTRIC LIGHT AND POWER RATES AND PRESCRIBING THE TERMS, CONDITIONS AND REQUIREMENTS FOR ELECTRIC LIGHT AND POWER SERVICE BY THE MUNICIPAL ELECTRIC UTILITY; said Ordinance having been heretofore amended; and

WHEREAS, it becomes necessary and in the best interest of the City of Vineland to amend the following sections of Ordinance No. 24, as amended, to provide for a revision in the rate structure for electric light and power services by the municipal electric utility:

Article VII - Demand Side Management Rates and Incentives

Section 101 (Vineland Code Section 438-101) "Heat Pump
Rebate Program"

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Vineland, that Code Chapter 438 and Ordinance No. 24, entitled "AN ORDINANCE ESTABLISHING ELECTRIC LIGHT AND POWER RATES AND PRESCRIBING THE TERMS, CONDITIONS AMD REQUIREMENTS FOR ELECTRIC LIGHT AND POWER SERVICE BY THE MUNICIPAL ELECTRIC UTILITY"; be and the same is hereby amended as follows:

Section 1. Section 101 of Article VII of Ordinance No. 24, as amended, be and the same is hereby further amended to read as follows:

ARTICLE VII. Demand Side Management Rates and Incentives.

### 101. <u>Heat Pump Rebate Program.</u>

A. <u>Availability</u> - The Heat Pump Rebate Program is available to all customers of the Electric Utility, regardless of rate class.

## B. <u>Qualifications</u>

1. Customer must install a new <u>electric</u> high efficiency air-source or ground-source heat pump that has been certified by ARI. (Air Conditioning and Refrigeration Institute)

- Installation must be done by a qualified HVAC contractor listed on the New Jersey Heat Pump Council's preferred contractors list.
- 3. Heat pump equipment using electric strip heat as a backup, must have said backup heat staged, with a minimum of two stages. Where an existing central air conditioning system is coupled with fossil fuel heat, replacement of the central air conditioner with an electric heat pump will be eligible for the program where the fossil fuel heat functions as a backup to the electric heat pump system. The backup heat switch point shall be no higher than 28 degrees Fahrenheit outside air temperature.
- 4. Rebates will be available to qualifying customers depending on the equipment size and efficiency ratings. Rebates for customers on the WLP rate will be 50% of those listed for rates R and GLP.
- 5. Minimum insulation standards must be in accordance with the City of Vineland Electric Utility guidelines.

## C. Rebate Schedule

- Rebates are limited to the first 75 tons of installed capacity the first fiscal year, which ends June 30, 1995; and 200 tons/per fiscal year thereafter.
- If installed capacity exceeds 75 tons the first fiscal year, the capacity that exceeds the first 75 tons will receive rebates the following budget year.
- 3. All rebates are on a per/ton basis. The heat pump rebate schedule is as follows:

SEER RATING	CUSTOMER	CONTRACTOR	TOTAL
12 to 13.99	\$148.00	\$ 37.00	\$185.00
14 to 15.99	\$199.00	\$ 50.00	\$249.00
16 to 17.99	\$298.00	\$ 53.00	\$351.00
18 to 19.99	\$428.00	\$ 76.00	\$504.00
20 to MORE	\$615.00	\$108.00	\$723.00

## D. How to Apply for And Receive Rebate

- 1. Contact the Customer Service Office of the Electric Utility; to receive a preferred contractors list.
- 2. Contact a qualified HVAC contractor to receive an application form.
- 3. Select and Install the equipment and have the contractor complete the rebate form.
- Send the application form, signed by the contractor and the customer, to City of Vineland Electric Utility Customer Service.
- 5. Rebate check will be issued upon completion of inspection.
- 6. Rebates are limited to one per customer at each property.

#### E. Inspection

- Final inspection of installation and equipment must be made by Electric Utility personnel or designated outside contractor in order to receive rebate.
- Equipment must be ARI certified and meet the requirements in C3 above at Time of final inspection to obtain rebate.
- The City reserves the right to inspect said equipment with proper notice to ensure the validity of the claims made on the rebate application.

Section 2. All ordinances and all provisions thereof inconsistent with the provisions of this ordinance, inclusing inconsistent provisions of Ordinance Nos. 24, 188, 198, 341, 384, 475, 772, 798, 1074, 1182, 1191, 1231, 1281, 85-56, 85-66, 88-10, 89-96, 90-3, 92-14, 94-30, and 94-34, be and the same are hereby replaced to the extent of such inconsistency.

Section 3. This ordinance shall take effect upon publication and passage in the manner provided by law.

Passed first reading: October 25, 1994
Passed final reading: November 9, 1994

President of Council

Mayor

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Approved by the Mayor: November 10, 1994

ATTEST:

CIEIR

## NOTICE

NOTICE IS HEREBY GIVEN that a meeting of the Council of the City of Vineland, held on October 25, 1994, the Ordinance published herewith was introduced and passed on first reading and notice is hereby given that it will be further considered for final passage after public hearing at a meeting of the said Council to be held at City Hall, Seventh and Wood Streets, in said City of Vineland, on November 9, 1994, at 7:30 P. M., prevailing time.

Keith Petrosky, City Clerk