

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications to the NJCEP Budget

Date: June 11, 2013

By Order dated November 20, 2012 the Board authorized Staff to modify NJCEP budgets within EE budget subsectors, such as Residential EE, provided that the reallocation does not exceed 10% of a program's budget.

The Order requires Staff to provide a written notice to each Commissioner at least three days prior to implementing any budget modification, which Staff has done. The Order also requires Staff to circulate proposed budget modifications for public comment, prior to submitting a formal request to the Board to affirm any budget modifications approved by Staff.

By letter dated June 7, 2013, Honeywell notified Staff that enrollments into the Home Performance with Energy Star (HPwES) program were up 39% over the 2013 monthly average and that HPwES program Tier 3 enrollments were 44% higher than average in May. Based on the large increase in recent enrollments, the HPwES program is approaching the 2012-2013 budget ceiling approved by the Board, and Honeywell may need to close the program in June if additional funds are not allocated to the HPwES program. Honeywell requested that \$1,300,000 be transferred to the HPwES program "Rebates, Grants and Other Direct Incentives" budget line which it estimates to be sufficient to enable the program to remain open through the end of the current budget year, June 30, 2013.

Honeywell also indicated that incremental SEP and Sandy related applications submitted to the Residential HVAC program have caused it to exceed the estimated quantity of applications. Honeywell has requested that \$160,000 be transferred to the "Rebate Processing, Inspections and Other Quality Control" line of the HVAC program, to allow for processing and inspecting the additional applications.

Honeywell proposed that \$1,460,000 be transferred from the Residential HVAC program "Rebates, Grants and Other Direct Incentives" budget line, with \$1,300,000 to be transferred to the HPwES "Rebates, Grants and Other Direct Incentives" budget line and \$160,000 to the HVAC program "Rebate Processing, Inspections and Other Quality Control" budget line. Sufficient funds will remain in the Residential HVAC program "Rebates, Grants and Other Direct Incentives" budget category to pay all anticipated rebates. The attached table shows the budgets previously approved by the Board, the proposed budgets, and the difference.

As set out in the November 20th Order, unless I hear from any commissioner to the contrary, I will approve the proposed budget modifications set out herein on June 18, 2013. Therefore, any comments regarding the proposed budget modification should be submitted to:

publiccomments@njcleanenergy.com

by COB June 17, 2013 with the subject heading "Proposed modifications to the HPwES and HVAC budgets"

2012-2013 18 Month Residential Efficiency Budget Budget Approved in Board Order

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$27,641,450.41	\$1,960,146.00	\$0.00	\$979,404.98	\$22,213,381.65	\$2,488,517.78	\$0.00
Residential New Construction	\$27,764,931.10	\$1,874,088.00	\$0.00	\$0.00	\$25,026,402.55	\$694,505.57	\$169,934.98
Energy Efficient Products	\$26,137,799.26	\$2,814,724.26	\$0.00	\$0.00	\$22,618,285.00	\$704,790.00	\$0.00
Home Performance with Energy Star	\$42,708,734.71	\$1,566,631.62	\$0.00	\$0.00	\$38,223,682.43	\$2,918,420.66	\$0.00
Marketing	\$1,743,976.16	\$0.00	\$1,743,976.16	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total Residential Programs	\$125,996,891.64	\$8,215,589.88	\$1,743,976.16	\$979,404.98	\$108,081,751.63	\$6,806,234.01	\$169,934.98

Request to Re-allocate Funds as Shown Below

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Evaluation and Related Research
Residential HVAC - Electric & Gas	(\$1,300,000.00)				(\$1,460,000.00)	\$160,000.00	
Home Performance with Energy Star	\$1,300,000.00				\$1,300,000.00		
Sub Total Residential Programs	\$0.00				(\$160,000.00)	\$160,000.00	

Proposed Budget After Re-allocation of Funds

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$26,341,450.41	\$1,960,146.00	\$0.00	\$979,404.98	\$20,753,381.65	\$2,648,517.78	\$0.00
Residential New Construction	\$27,764,931.10	\$1,874,088.00	\$0.00	\$0.00	\$25,026,402.55	\$694,505.57	\$169,934.98
Energy Efficient Products	\$26,137,799.26	\$2,814,724.26	\$0.00	\$0.00	\$22,618,285.00	\$704,790.00	\$0.00
Home Performance with Energy Star	\$44,008,734.71	\$1,566,631.62	\$0.00	\$0.00	\$39,523,682.43	\$2,918,420.66	\$0.00
Marketing	\$1,743,976.16	\$0.00	\$1,743,976.16	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total Residential Programs	\$125,996,891.64	\$8,215,589.88	\$1,743,976.16	\$979,404.98	\$107,921,751.63	\$6,966,234.01	\$169,934.98