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NJHC #13VH00253800

March 24, 2010

To whom it may concern:

RE: Straw proposal

I have been in the building business since 1972 and in my own business as a builder, remodeler and General Contractor since 1986. Two years ago I added a division to design and install solar electric power systems and last year we received accreditation from BPI through CSG to be residential energy auditors. I tell you this simply to establish the fact that I have some experience in the business.

I have read the straw proposal and fully understand the need for budget cuts in NJ. I have some recommendations I would like to make regarding these proposed changes.

1. Home Performance with Energy Star is a great program. Having built or remodeled many homes, I was amazed at the information and science that neither I nor many of my fellow builders were aware of. It has opened a whole new and badly needed avenue of information injection into the building business in addition to saving energy. CSG does a great job administering the program but I find two major flaws.
  - a. There are too many layers. Too many hands in the pie. There is no reason for all the various other agencies and companies to be involved. The program could be very easily streamlined and save a tremendous amount of cost.
  - b. All the layers result in tremendous delays in approvals and payment to contractors. Every contractor has to figure interest carry and administrative costs into their proposals. This ends up on the bottom line of the proposals which ultimately costs the program more money.
  - c. There are "thousand pound gorillas" in the program who do "clipboard audits", have no interest in anything other than replacing heaters and air conditioners and make it a mostly HVAC program instead of an energy efficiency program. Get the total energy program going and crack down on these abuses.
  - d. The incentives are strong enough now that the "free" nature of the air sealing is not really necessary or could be scaled back. Following up on c. above, make it a necessary part of a total energy package. Make reducing energy lose the head of the program and HVAC replacement the icing on the cake not the center piece of the program.
  - e. I'm sure this sounds like a "pull the ladder up after me" statement but if you are going to reduce the budget, it would make sense to reduce it intake of new contractors in the program. CSG has stated that they anticipate training 120 new contractors in the near future which will double the number presently in the program. CSG is struggling to

keep up now. This will require them to double their size. Training new contractors cost money and dilutes the available work pool which will of necessity be reduced by budget cuts.

2. On the renewable energy program, it is functioning well at the moment. The change from higher rebates and lower ACP to higher ACP and lower rebates has worked out well. The rebates are the smallest part of the “return on investment” package now. Two things will keep this program strong.
  - a. Change the tariffs to keep the ACP at its current level or even raise it as you reduce the rebate levels. This will take the burden off the budget and place it on the community in general.
  - b. Institute some sort of “guarantee” for the SREC program. Banks and other financial institutions are having a terrible time wrapping their arms around the SREC income as an income stream they can count on. Two things would help; set up a vehicle to have the SRECs assigned to the banks; figure out some way to place a floor or minimum value on them. Banks envision them going to zero and they are left with nothing.
  - c. Unless you make structural changes in the HPwES program, it would be best to eliminate the audit and air seal requirement from the program. It causes clients to get an audit and “free” air seal just to get the extra rebate. This obviously drains funds that could be used on homes where they are serious about energy efficiency. It’s not a perfect solution but probably the best under the circumstances.

Both of these programs have been of tremendous value to me as a small businessman. I have hired new workers, bought trucks and equipment and it has put many thousands of dollars into the economy of NJ. While I understand the situation and agree with Governor Christie on the changes he is making, I believe NJ can remain the poster child of energy efficiency. I sincerely hope you can make the necessary structural changes, use the governor’s model and cut out the fat and keep this very necessary program moving forward.

Very truly yours,  
**D.G. Powell**  
Donald Powell

# JERSEY SHORE LLC

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**HAMMONTON, NJ 08037**

**OFFICE: (609) 561-7385      FAX: (609) 561-7386**

**RESIDENTIAL & COMMERCIAL**

Date:            March 22, 2010

Subject:        Public Comment to Loss of NJ Clean Energy Program Funding

Jersey Shore LLC has been in the HVAC and Refrigeration business since the 1990's, however our involvement in New Jersey's Renewable Energy Program has been less than a year. In May '2009, we envisioned an opportunity to add another dimension to our public services by offering solar energy to our existing residential and commercial customers. Immediately, we realized the need to learn about solar energy, as well as the many incentives available to our potential customers. As a result, we began enlisting in training opportunities offered by the Board of Public Utilities through the Conservation Services Group. Additionally, we enrolled in courses outside of New Jersey, where we learned that New Jersey took a more aggressive approach in promoting a means for alternative energy, i.e., solar, wind, etc. than its neighboring states.

The one key benefit we saw from our brief dealings with the State's Renewable Energy Incentive Program (REIP) was that the rebate incentives and solar renewable energy credits drive the program for the residential and non-residential community. That translates into more common terms as the local homeowner and small business owner, the backbone of our community.

I sympathize with the Governor's responsibilities of balancing the state budget, but if he eliminates local funding to municipalities and schools, which eventually translates into higher property taxes, what else is available to offer people trying to conserve than those rebate incentives to enhance reaching his ultimate State Renewable Portfolio Standard of reducing the excess use of our natural resources by pursuing other energy alternatives.

REIP rebates need to remain a viable entity of the program. Without their existence, customers, as well as contractors will be left with burdening more of the financial strain onto the customer.

Thank you for your consideration.

Jersey Shore LLC  
Trade Ally Partner



**Comments of  
Bruce S. Grossman, Program Manager  
Residential Energy Efficiency  
South Jersey Gas Company  
March 25, 2010 Public Hearing  
In the Matter of Comprehensive Energy Efficiency and  
Renewable Energy Resource Analysis for 2009-2010: 2010  
Programs and Budgets: Compliance Filings – Revisions to  
Previously Approved Budgets  
Docket NO. EO07030203**

Good afternoon President Solomon, and Commissioners of the New Jersey Board of Public Utilities. My name is Bruce S. Grossman, and I am the Program Manager for Residential Energy Efficiency for the South Jersey Gas Company.

South Jersey Gas Company is a local distribution company which provides natural gas service to over 343,000 customers within six counties in Southern New Jersey.

On behalf of South Jersey, I would like to thank the Board for the opportunity to offer comments today regarding the revisions to the 2010 Clean Energy Program budgets. We believe that a process, such as this, will provide an open forum for the exchange of information that can be very beneficial for all stakeholders and ultimately the state of New Jersey.

South Jersey supports and commends the Board's efforts to support the burgeoning energy industry as a driving force in our state's economic development and job creation efforts. We remain committed to partnering with you to expand an industry that promotes entrepreneurial spirit in addition to the efficient use of energy, while also reducing the impact of our state's carbon footprint.

We support efforts to stimulate an industry that provides for greater security of energy supply, distribution, and efficiency of consumption. Most importantly, we support the work to create economic savings opportunities for residential, commercial, and industrial customers, as each of these vital constituencies can reap the advantages of the wide variety of current program incentives.

During difficult fiscal times, where spending must be constrained, the inclination of many leaders would be to simply cut programs. Instead, the Board chose to take on the challenge of working with interested parties; inviting utilities, energy service companies, contractors, and trade organizations and other stakeholders to collaborate toward a solution that maintains the essence of current energy programming.

Over the past year, our Company has taken significant steps to re-engineer our approach to the marketplace, and has committed significant resources to link our own energy efficiency programs, and messages, with programs currently administered by the Office of Clean Energy. As a point of information, the programs that South Jersey received approval for in July 2009, were specifically crafted in response to the State's urgent request for the development and implementation of energy efficiency programs designed to compliment Board administered activities, and above all, stimulate needed employment. We believe that our goals and objectives in many ways are intrinsically aligned with yours.

The Clean Energy Program recognized that in order to increase program participation for the Home Performance with Energy Star Program, additional resources needed to be rapidly developed to accommodate customer demand. South Jersey worked with the Office of Clean Energy, its Program Managers, and Energy Finance Solutions to quickly accomplish that objective in Southern New Jersey.

By crafting energy programs designed upon the foundation of the Statewide Home Performance Program, we helped to motivate many of our trade allies to become accredited by the Building Performance Institute. In less than one year, contractor capacity in southern New Jersey increased from four firms to seventeen firms, with more expected to be added. Since the beginning of 2009, these firms have employed an additional sixty two people, as a result of the combined effects of residential energy efficiency programs becoming more lucrative, and the direct involvement of complimentary programming by South Jersey Gas.

Program participation in the Home Performance Program was minimal in 2008. However due to the efforts of the Board, the utilities, and contractors willing to risk changing their business model, this program has become a signature program for the State.

South Jersey Gas has also designed its non residential programs to compliment and stimulate interest for both large and small commercial markets. We have negotiated contracts with a lending institution to buy down interest rates from market prices to 0%, for a term of 10 years in order to provide customers with access to a commercial lending source. In many cases, it is expected that this program will enable participating customers to create positive cash flows from the savings generated from their decision to take advantage of the offers available from commercial / industrial Clean Energy Programs.

Currently, many businesses face obstacles in obtaining capital. Therefore, the development of our program to join the Clean Energy Program and our credit worthy customers to a financial lending source is in concert with the State's policy to foster economic development through energy efficiency.

Additionally, South Jersey is committed to the development of distributed generation and combined heat and power. The current administration appears to view this technology favorably, and we maintain that it is a critical part of any plan to reduce carbon emissions, electric distribution congestion, and energy waste. The promulgation of distributed generation will also have the positive effect of creating good employment opportunities for mechanical engineers, and other related skilled construction and operating jobs.

Should the straw proposal, in its current form be enacted through Board Order, the concern is that the effect of the budget reductions will have a negative impact on South Jersey's ability to successfully accomplish the economic, environmental, and energy reduction goals that are important to New Jersey, its ratepayers, and its affected stakeholders.

The significant reduction of residential and commercial incentives, coupled with the elimination of Combined Heat and Power incentives will put a "chilling effect" on the economic momentum being created in the marketplace. Residential and Commercial / Industrial customers in this current economy need to use energy as economically as they can. However, the cost of installing state of the art technologies, and applying the latest building science techniques are more than most consumers are able to bear.

Specifically, this straw proposal will directly impact four of the five South Jersey Gas programs that were approved by the Board to support its Clean Energy programming. Those programs are; the

Residential Home Performance Finance and Energy Improvement Plan, the Commercial Customer Direct Install Program, the Non-Residential Efficiency Investment Program, which targets commercial customers with monthly demand greater than 200KW, and our Combined Heat and Power (CHP) and Distributed Generation Technology Program.

South Jersey has worked in concert with their trade allies, our regulatory authorities, and their agents, to create a network of resources that motivate customers, and meet their needs. This straw proposal in its current form, could have the effect of “turning back the clock” on all of our collective progress, both in economic terms, and in terms of energy policy.

In order to preserve the integrity of the programming that has finally started to gain traction within our service franchise, South Jersey Gas is ready to offer its support and its resources to stimulate and maintain the current momentum for energy project participation. Increased customer participation and the implementation of fully funded program offers are critical to the continued success of economic development throughout the state.

Given the important goal of creating an energy economy based on efficiency and environmental sustainability, it is vital that energy programs offer the much needed resources to motivate customer demand, and to clearly communicate to trade allies that their investments in internal resource expansion will yield a profit.

For the reasons stated, our Company is willing and able to work with the Board to immediately help facilitate a plan toward an expedited approval for preserving the integrity of existing programs, and to assist the Board, and the State, as necessary to accomplish the economic and social goals of the new administration.

Thank you, Bruce S. Grossman



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3/24/2010

Kristi Izzo, Secretary of the Board  
State of New Jersey – Board of Public Utilities  
Two Gateway Center  
Newark NJ 07102

Via E-mail attachment sent to: OCE@bpu.state.nj.us

Re: Docket EO07030203 – Proposed Revisions to the NJ Clean Energy Program Budgets

**To the Honorable Board Members, Governor Christie, Lt. Governor Guadagno;**

We are writing to offer our comments regarding the above proposed budget revisions, specifically, changes to the Home Performance with Energy Star<sup>®</sup> program (HPwES.) Reducing the HPwES budget, and hence the consumer and contractor incentives offered by the program is unfair, unjustified, and will damage our company, our employees, our trading partners and our customers. The funds for this program are derived from ratepayer tariffs. This dedicated levy is for a societal benefit – energy use reduction and sustainable, clean energy, and should not be confiscated to subsidize the state's coffers no matter how dire the circumstances.

Our small business recently became an approved contractor in the HPwES program, after a prolonged, costly, year long process. Our experience is shared by the more than one hundred other small firms that have recently joined or are in the process of joining the HPwES program. All of these small businesses were expected to develop and implemented business plans based on the HPwES programs. In our case, more than \$10,000 was spent on training and equipment; even more on accreditation and compliance; two trucks were purchased for \$34,000; two new employees were hired, with two more hires planned. We established accounts with a number of new vendors, spent thousands promoting and advertising the HPwES program through direct mail and other channels, and plan on thousands of dollars in additional equipment and material purchases. We borrowed money from our bank to provide for cash flow while waiting for program reimbursements. To date we have received no reimbursement from the program. We understand and have had to plan for this. We invested in the program as an investment in the future... and had a reasonable expectation we would see a return on the investment down the road. Our investment benefited the State of New Jersey's economy!

What we could not have anticipated was the cavalier manner in which the program budget revisions are being rushed through the system. How do you expect those of us who are stakeholders in the programs to attend the public meeting with only one day's notice? Even if the dates on the documents represented the true timing of notification, (they don't, we received our notice today,) you have still only given us a week to revise our schedules, arrange to attend the meeting and prepare our comments.

We will all lose business as a result of the proposed program reductions. Our firm mailed 30,000 direct mail pieces last month in an approved ad offering HPwES incentives to consumers at the current dollar levels. What will these potential customers think of us, how likely are they to do business with us, if we have to explain that the rebates are now at half the level advertised? If the incentives drop, we might as well have thrown the mail pieces in the trash. Yes, we can offer to honor commitments for work scopes already approved, but aren't advertised/promoted incentives also a promise to be honored? And how about the hundreds of homeowners who have begun the audit process but haven't yet reached the approval stage? How can we, in good conscience, take away the fully expected incentives from these homeowners?

We understand that the administration has a difficult task to find ways to close a tremendous budget deficit. We do more than our share to help, paying individual and business taxes, surcharges, registration and licensing fees and much, much more. Our currently employees each pay their share too, and we plan on adding more. Please do not allow the unanticipated misappropriation of these ratepayer funds that are being wisely spent, in a closely monitored manner, for societal good, in a way that will still inevitably boost the state's economy and revenues while benefiting society and the world energy outlook as a whole.

Sincerely,

A handwritten signature in black ink, appearing to read 'SG', with a large, sweeping flourish that loops back under the letters.

Scott Greiff  
Managing Member

## Kate Morecraft

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**From:** Charlie Reichner [Charlie@heatshed.com]  
**Sent:** Thursday, March 25, 2010 6:26 AM  
**To:** OCE  
**Subject:** Reduction in budget For OCE

To whom it may concern

We have been installing solar PV systems since this program started. It has provided jobs for over 10 employees, whom will probably be laid off if this budget is downsized. This is a very popular program with the public and could use more money rather than less. This money comes through a SBC on a ratepayers bill and was specifically enacted to promote solar energy!! the funds were originally disbursed through the individual utilities who collected the money from ratepayers! While nobody likes to see large State budget shortfalls, I do not see why this very beneficial program should suffer as a result of mismanagement by legislators! This program is one of the few ways that the individual homeowner or business person can take control of their energy usage! We urge that the full amounts collected from the SBC be used as it was intended for Solar projects. I also believe that is EXTREMELY important for Americans to be encouraged to reduce energy usage and this program does that.

Charles Reichner  
Heat Shed Inc

## Kate Morecraft

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**From:** Beth Kujan [bethinmorris@hotmail.com]  
**Sent:** Thursday, March 25, 2010 7:23 AM  
**To:** OCE  
**Subject:** Clearn energy is the future of NJ

Dear Trenton Officials,

Clean Energy is an important investment for the short term and long term good of New Jersey. Cut elsewhere, not here.

Beth Kujan

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10 Exchange Place, Jersey City, New Jersey 07302

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**To: Mr. Lee Solomon, President Board of Public Utilities**

**March 24<sup>th</sup>, 2010**

**Fr: Brian Fitzsimons, Founder Qado Energy**

**Re: New Jersey's 2010 Clean Energy Program Budget**

As a New Jersey resident, business owner and serial entrepreneur, I am encouraged by the steps the current administration is taking toward its budget reviews and acts of fiscal responsibility. As citizens we each have an obligation to make sure we use all our resources wisely. I am also encouraged by the NJCEP's focus on New Jersey jobs growth and retention in the global clean energy marketplace. With the past 30 years of American business history to look upon, I believe it is clear that this sector's advancements will come from small innovative companies who will rapidly expand to lead the growth in clean technology and fulfill the promise of a smart grid.

We should also recognize that our State's human and institutional resources offer us the opportunity to get in front of this innovation wave and compete nationally and globally. For these reasons, I write to you today to urge the Board to make specific corrections to the budget ensuring we don't cut innovation and stymie clean energy job growth in New Jersey.

New Jersey's EDA and CST Edison programs have been structured to foster local business innovation and commercialization while ensuring immediate local job creation and retention. They have created a fair and clear competitive process that entrepreneurs are drawn to because it not only funds initial research and development of new products, with entrepreneur financial matching requirements but also offers the promise of larger sums of financial loan support for the critical commercialization and growth phases of the new product or service. This two stage approach reduces the State's resource risk, ensures local job creation through the R&D phase and offers entrepreneurs the ability to recruit top talent to our State for the commercialization expansion phases.

New Jersey has a talented team of people who have put these programs in place, positioning New Jersey as a fertile State to grow a clean energy cluster. It would be a shame at this critical time for the NJCEP to compromise our State's competitiveness to attract and keep talented entrepreneurs in its own backyard. The rapidly developing Clean Energy marketplace won't wait for us and other States and Foreign Governments have programs in place to entice our innovators. The multi-stage support offered by the EDA, CST Edison and new Green Growth Fund are vital to ensuring New Jersey develops the high technology and high value services jobs today and for the decades to come.

These two specific cuts are diametrically opposed to NJCEP's goals of timely local job creation and clean energy business development. However, the beauty of the strawman and the transparent process we are engaged in allows the Board and the public to reflect on the priorities of the State, its tax payers and utility rate payers who I believe fund this component of the budget. To this end, I encourage the Board to take the opportunity to rebalance the budget to favor these two specific programs. If the reinstatement of funding is realized in the 2010 budget and the funds released in the first half of this year, New Jersey will surely capture the labor force growth benefits, the spread of innovate high technology businesses and positive tax receipts that naturally flow from the process.

## Office of Clean Energy 2010 Budget

Thursday, March 25, 2010

### Testimony Supporting the Inclusion of CHP Retail Margin Performance Grant Funding

Good afternoon, President Solomon and Commissioners my name is Fred DeSanti and I appreciate the opportunity to appear before you today to discuss some of the issues surrounding clean energy funding and, in particular, utilization of the retail margin fund to promote combined heat and power projects.

Naturally, we are all disappointed with the recent financial events that have required Governor Christie's seizure of these funds to balance to New Jersey budget for the remaining months of fiscal year 2010. In 2009, under the leadership of the legislature I believe we made great strides in developing energy policies that hold the great promise of reducing carbon emissions, improving energy efficiency, and helping some of our state institutions achieve meaningful cost reductions through the utilization of the simultaneous production of thermal and electrical energy in the cogeneration process. While we all worked very hard and successfully to achieve the consensus necessary to institute these policies and see them become law, the deepening national recession and in particular some of the huge deficits that have been piling up in New Jersey for some time has finally disconnected our policy goals from that which we can ultimately afford.

Today, and throughout the next several months the all of you at the Board of Public Utilities, the Office of Clean Energy and many other state leaders will continue to try to reconcile what we need to do, what we want to do, and ultimately what can afford to be done. Truly, these are difficult times, but also, perhaps the most important that we will face. Because the decisions that we make and the priorities that we establish now, will have a great affect how successfully and how quickly New Jersey will emerge from this recession.

Balancing all the social, environmental and economic challenges that face our state is clearly a daunting task, but the energy efficiency products and services that we need in New Jersey need to play an important role in the ultimate resolution of these financial issues. In my opinion, the highest service that we in the industry can provide **at this time** is to help the state deliberately think through its energy goals in a way that will be most useful by carefully prioritizing all projects in a way that will ensure that the remaining resources are spent most wisely to support our most urgent goals.

As you well know, the funding available to support these projects and technologies has come from a number of sources. The retail margin fund, societal benefits clause, solar alternative compliance payments, and a host of federally funded programs, including about \$75 million dollars that have been made available through the American Reinvestment And Recovery Act, are all financial resources that need to be viewed, to the extent possible, as a single financial resource. In these difficult times, it makes little sense to firewall one program from another protecting perhaps lesser goals at the expense of others that we might all agree are far more urgent.

Within Governor Christie's FY2010 Budget Solutions as a Foundation for Reform document we find that he has appropriated the entire \$128 million from the retail market fund and has reduced an amount of \$158 million from the clean energy fund based in part upon the removal of the

structural carry forward. Staggering reductions to be sure, but there still remains nearly \$250 million in clean energy funding which will be carried forward in to the next budget year, and perhaps nearly \$74 million associated with the American Reinvestment and Recovery Act funding.

Clearly, at least in the short term, we will need to stop some lower priority programs and shift resources to those programs that will produce greater short-term values. When I review the “Grants and Solicitations” section of the BPU website, I see many worthy projects, but I question whether many these projects can be considered “urgent” and reflective of an appropriate priority considering our circumstances. In the short term, in my opinion, we need to reconsider programs like the appliance rebate programs, not because they are not desirable, they are, but because these same dollars can be used to “manufacture” new energy infrastructure in New Jersey, creating jobs, here not in the states or foreign countries where these products are currently manufactured. Additionally, I note that there are considerable funds looking toward the research and development of newer technologies like biomass, while we have proven technologies and demonstrated needs where these same dollars can produce jobs and results immediately.

At the end of the day, if we can provide a list of projects based upon clearly articulated goals and objectives, and then at the very minimum, we will have established a blueprint for spending what we have remaining to spend to the greatest advantage.

This does not suggest that it would serve any purpose to create warring factions based upon support for individual technologies. Our deliberations should not involve whether solar technologies should be deployed at the expense of wind or that renewables should or should not displace energy efficiency technologies. We will, of course, need to make choices but these choices need to be defined by clearly articulated goals based upon the greatest, and most immediate, needs of our state.

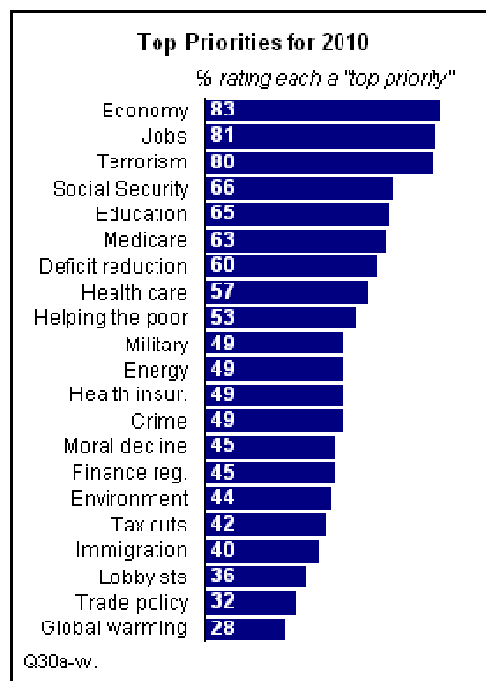
So, the purpose of this testimony today is to put forward for the Commission’s consideration, a rational framework for the evaluation of all the programs, currently funded and unfunded, that now must avail themselves of these scarce financial resources. In this way, at least we will know that at the end of the day when all the macro issues regarding funding are ultimately decided, that the funding available to promote our energy future will be spent on the basis of careful thought and sensible priorities. Considering the circumstances I think this is the most reasonable and prudent course of action for us to follow.

In the course of prioritizing projects applying for the funding emanating from the regional greenhouse gas initiative auction process (RGGI), the EDA developed a very effective scoring system to help them achieve their goals in a consistent and rational manner. This scoring system was relatively simple to administer and yet resulted in a substantial rationale for transparent project prioritization.

In my opinion, these same techniques can be applied to our current circumstance to allocate scarce funding resources in the most appropriate and productive manner.

To demonstrate how this prioritization process might work, I’d like to offer some of my thoughts as to how these evaluations might be made, and how quickly we can determine relative values to then act upon accordingly.

**Goal 1:** In order to achieve the maximum benefit of our subsidy dollars, our first concern should be with developing projects that will create and perhaps what is more important retain jobs in New Jersey. While all projects will expend labor dollars and create jobs, in my mind, we need to look hard at which projects will develop the greatest overall economic benefit based upon the number of people that will be employed and for how long. Additionally, projects that support cost reduction for New Jersey manufacturing and other hard-pressed sectors of our economy need to be provided appropriate priorities. If you believe as I do that we need to create jobs and economic development to resurrect New Jersey’s economy, then our first goal in the near term must ensure that these dollars are putting people back to work in the development of enduring and needed infrastructure. The Pew Research Center has recently released a poll regarding the political priorities of the nation. Jobs and the economy ranked first and second polling at 83% and 81% respectively.



**Goal 2:** Inasmuch as and utilized as quickly as economic development projects, we must ensure

“shovel ready.” Nothing would be more frustrating, then to hold financial resources in banks awaiting allocation when other projects are queued up and ready to go. If we are to build our way out of this recession, we need to take action at the earliest possible date and because of this I would deem this goal a close second to the goal of job development.

funding must be set aside possible to spur the attendant with these that favored projects are

**Goal 3:** Clearly, aside from the energy cost considerations that weigh heavily on our economy, clean energy development projects are undertaken to reduce carbon emissions and assist in reducing other forms of pollution from entering our environment. While we do know that pure renewable energy resources such as wind and solar replace nearly 1300 pounds of carbon per



Mw-hr of production from grid resources, we also know that the capacity factor of these technologies is significantly lower than other technologies relying upon energy efficiency. Simply stated, we need to develop simple benchmarks that relate the cost of these different technologies as a function of carbon reduction. This is not to suggest that there would be any ultimate winning or losing technologies, only that we appropriately benchmark the cost-benefit of projects to compare environmental attributes and cost-effectiveness.

**Goal 4:** Overall economic comparisons and scoring in terms of energy production cost and the ultimate savings that would inure to customers. To achieve the greatest good with the least in taxpayer-supported subsidies, simple calculations could be drawn to rank projects competitively.

**Goal 5:** In the EDA rankings, it was also recognized that projects undertaken to support our state's taxpayer supported institutions would result in future tax avoidance as a result of attendant energy cost reductions. The EDA also recognized the need to enhance the score of projects associated with our state's urban areas to provide the greatest assistance in cost reductions for institutions, like our city hospitals, prisons, and schools operating in these hard-pressed areas.

Everyone here today has worked long and hard on the development of policies that I am confident will ultimately all become successful as our state and our nation recovers from this recession. The immediate need however is to help the state allocate the resources that it does have to accomplish the greatest good in the shortest amount of time.

The technical resource to quickly rank order our priorities against the goals of maximizing energy cost and carbon reductions currently exists both within the Board of Public Utilities and the EDA. This work needs to commence as soon as possible to provide the Board and other decision-makers with the best information possible in forming the 2011 state budget and how the scarce energy subsidy dollars can be best spent.

In this way, I think everyone we'll be assured that the monies available to spend will be spent toward the highest purpose in a manner but that is based on a transparent and rational framework that achieves the greatest near-term good.

I appreciate the opportunity that you have extended to me in the discussion of these important issues.



March 25, 2010

Ms. Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

RE: OCE Straw Proposal Related to NJCEP 2010 Budget Modifications

Dear Ms. Izzo:

New Jersey Natural Gas (“NJNG” or the “Company”) recognizes the extreme challenges that the State of New Jersey is facing during these difficult economic times. We commend the New Jersey Board of Public Utilities (“BPU”) for its thorough consideration of how to implement the \$97 million reduction of the Clean Energy Trust Fund with the least disruption to the energy-efficiency and renewable programs offered by New Jersey’s Clean Energy Program (“NJCEP”). NJNG appreciates the opportunity to provide comments on the March 18 Office of Clean Energy (“OCE”) Straw Proposal Related to NJCEP 2010 Budget Modifications (“Straw Proposal”). Prior to providing specific comments on the Straw Proposal, however, we want to share some key concepts that address the Company’s active integration with and promotion of NJCEP programs.

#### **NJNG Background**

- In October 2006, the BPU approved a Conservation Incentive Program (“CIP”) for NJNG. Originally a three-year pilot that has recently been extended through September 30, 2013, the CIP assists customers in adopting methods to conserve energy and reduce their natural gas costs while simultaneously preserving our environmental resources. As a result of this program, which was developed collaboratively with BPU staff, the Department of the Public Advocate, Division of Rate Counsel (“Rate Counsel”), South Jersey Gas Company and NJNG, we have fundamentally changed the way the Company does business, and continue to do so. A core element of the CIP is the implementation of an innovative rate mechanism that more directly aligns the interests of our customers with those of the Company and the clean energy policies of the state. This mechanism eliminates the fundamental disconnect in traditional utility ratemaking that rewards utilities for increased energy consumption but represents an impediment to conservation and innovation. Instead of promoting the sale and use of additional burner tips to our customers, NJNG actively encourages customer conservation as one way to achieve the statewide goal of reducing energy usage 20 percent by 2020. As a result of our CIP, since October 2006, NJNG has been even more actively involved in supporting the independently run NJCEP programs. The Company has continued to work very closely with the staff of the OCE and the Market Managers to ensure that

we fully understand the details for both the natural gas and electric programs so we can accurately promote them to our customers.

- As a result of CIP, we also launched many new programs specifically designed to complement NJCEP programs. These CIP programs, funded by NJNG shareholders, include a billing-system integrated, online energy audit product for our residential customers, an online technical resource and monthly newsletter for our commercial customers, an opt-in monthly conservation e-mail service that currently has more than 51,000 subscribers, distribution of discounted conservation kits and many smaller outreach related projects. These CIP programs have provided a solid foundation through which the Company can test ideas and approaches.
- In July 2009, the Board approved our Economic Stimulus Energy-Efficiency (“E3”) program. We launched the E3 programs to our customers under The SAVEGREEN Project™ brand in September 2009, and they are scheduled to be available for approximately one year. All of our E3 programs directly integrate with NJCEP programs, including WARMAdvantage, Home Performance with Energy Star (HPES) and Direct Install.
- One unique aspect of our E3 program is that it focuses on encouraging customers who are replacing existing equipment to make the correct decision and install high-efficiency HVAC equipment. At the same time, NJNG works to raise customer awareness of the other potential opportunities for energy savings within that customers’ home. Our customers who install a WARMAdvantage-qualified furnace or boiler can receive an enhanced \$900 rebate from NJNG, but only if they agree to accept a free home energy audit performed by an NJNG auditor. NJNG auditors have all met the same BPI requirements for Building Analysis that an HPES contractor must meet to participate in the program. The customer is then also able to access HPES incentives for other energy-efficiency measures that they pursue as a result of the audit, which include \$1,000 of free seal-up work currently offered under Tier II. Leveraging customer replacement market decisions to capitalize on other cost effective energy-efficiency opportunities presents an opportunity to significantly increase consumer awareness of the “whole-house” approach.
- NJNG’s E3 program also allowed us to significantly expand our energy-efficiency outreach at the grass-roots level. An NJNG employee serving as outreach specialist is working with many stakeholder groups, including towns, schools, realtors, businesses, green teams and environmental commissions throughout our service territory to promote energy efficiency and conservation.

### **Specific Comments on the Straw Proposal**

- NJNG strongly supports the basic principles that were considered in the development of the proposed budget modifications. We believe that adhering to these principles is critical to maintaining as much stability as possible in the energy-efficiency and renewable energy marketplace. For the long-term credibility of the program, honoring existing commitments should be the most important of these principles and we appreciate that focus in the Straw Proposal.
- As to the effective date for proposed changes to customer incentives, NJNG recommends that careful consideration be given to the date chosen for each program. NJCEP, NJNG and many other stakeholders, including contractors and green teams under Sustainable

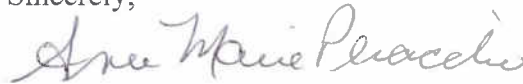
Jersey™, have been aggressively promoting the energy-efficiency programs. As a result of the extensive promotion efforts, there are customers who may have already made significant investment decisions based upon the information presented regarding the incentives. If the effective date chosen for the HPES changes is the date of the BPU order approving the Straw Proposal, there are likely to be many customers who have already spent several thousand dollars on WARMAdvantage-qualified furnaces or boilers that could be adversely affected. These customers may have only chosen to install such equipment with the expectation that they would receive the incremental \$900 rebate offered by several of the natural gas companies. Those rebates are directly linked to the performance of an HPES audit, which would then result in access to the free \$1,000 of seal-up work offered under Tier II. ***Accordingly, we believe that the installation date for WARMAdvantage qualified equipment may be a relevant date for the consideration of eligibility under the current HPES incentives.*** Without that, customers will be denied access to benefits that were identified in the promotional materials which may have been relied upon in their decision to invest in high-efficiency equipment.

- NJNG fully agrees with the Straw Proposal's position to authorize NJNG to pay the Tier II and Tier III incentives under HPES within our service territory. This authorization was contemplated in the E3 settlement process, since language to this effect is in the Stipulation approved by the BPU. Moreover, allowing NJNG to fund the associated work is critical to continuing the support for this emerging market and, more importantly, to meet customer expectations arising from the earlier, aggressive promotion of HPES. The supporting exhibits to the fully executed Stipulation that was approved by the BPU include approximately \$5.1 million for funding such incentives. However, we request that you provide NJNG with the opportunity to provide funding for those incentives as long as the associated expenses do not exceed the \$10.3 million budget approved for the NJNG E3 HPES program. The original E3 agreements established budgets by program, rather than by individual program element.
- NJNG recognizes the basis for OCE recommending the elimination of the Tier II incentives under HPES. In fact, the Company supports that change for customers who are directly participating in HPES by having an initial audit performed by an HPES contractor. Those are the customers most likely to have a comprehensive work scope proposal reaching the 25 percent energy savings threshold that then qualifies them for the 50 percent rebate on recommended work. However, NJNG believes that complete elimination of the potential for air-sealing opportunities would be detrimental to encouraging customers to make decisions that improve the overall energy efficiency of their homes - a core concept of both the E3 program and NJCEP's efforts. Under the proposed changes, these customers are less likely to implement the additional measures since they would likely only qualify for a 10 percent incentive for the additional investments. ***NJNG can support the administration and provide the funding for Tier II incentives within our service territory.*** That benefit would only be available to customers who participated in an NJNG audit as a result of the installation of a high-efficiency furnace. NJNG believes that maintaining this program element in our service territory, where there is funding available, provides an opportunity for a pilot program in a defined area that would test the viability of encouraging customers to invest in the additional energy-efficiency measures.
- NJNG also wants to express support for the fact that the Straw Proposal did not propose any major changes to either the structure or the budget for the Comfort Partners program.

This program is critical in helping reduce the energy burden for our citizens who are most in need and also offers long-term savings opportunities for society, since it reduces the future energy burden that may be subsidized by the Universal Service Fund (“USF”) program. Over the past few years the Comfort Partners team has worked hard to meet those goals. They have added contractors to the program and increased spending limits to reach more customers and achieve greater savings for low-income customers with the highest energy burdens. Their focus on USF customers with the highest energy burden helps to make utility bills more affordable and also reduces long-term subsidies paid by other customers through the Societal Benefits Charge.

NJNG appreciates the opportunity to provide comments on the Straw Proposal. We want to assure you that we will continue to coordinate our communication efforts with the BPU and the NJCEP Program Managers to help customers and other stakeholders understand the program changes. If there is additional information you would like or questions to be answered, please do not hesitate to contact me at (732) 938-1129.

Sincerely,



Anne-Marie Peracchio

Director- Conservation and Clean Energy Policy

Cc: Michael Winka, BPU  
Michael Ambrosio, AEG



3/25/2010

State of New Jersey  
Board of Public Utilities  
Two Gateway Center Newark, NJ 07102

Re: Docket No: EO07030203  
Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for 2009-2010

To Whom It May Concern:

New Jersey's Clean Energy Programs have been pursued on the basis of comprehensive building energy efficiency. These programs have made it possible for many New Jersey businesses to improve the efficiency of their facilities thereby reducing their operating costs and increasing their profitability, while at the same time acting in an environmentally friendly manner.

It is realized that due to the recent budget cuts that affected the NJ Clean Energy Programs, that there are changes that need to be made to keep the programs available to businesses. However, most notable, the changes proposed to the NJ Direct Install Program are not beneficial to business owners, their contractors, the environment or the NJ Clean Energy Program. The proposed project cap of \$40,000 disallows commercial businesses to take a comprehensive look at the efficiency of their buildings and implement measures to increase efficiency that they ordinarily would be unable to pursue. The proposed project cap conflicts with the purpose of the program; to provide small to medium sized businesses with a comprehensive energy efficiency solution.

It is suggested that if a project cap is to be instituted that a cap of \$100,000 (the same cap proposed for governmental entities) be used in lieu of the proposed \$40,000 cap. This project cap will allow the majority of New Jersey businesses to take full advantage of the program and implement efficiency improvements. I strongly urge the BPU to consider a \$100,000 project cap for all entities under the NJ Direct Install Program.

Sincerely,

Matthew F. Zanzalari  
Energy Services Program Administrator  
H.T. Lyons, Inc. – A PPL Company  
7165 Ambassador Drive  
Allentown, PA 18106 610-530-2600



March 25, 2010

Board of Public Utilities

RE: Home Performance with Energy Star Program

My name is Brian Bovio and I am the Operations Manager of my family's business, Bovio Advanced Comfort & Energy Solutions, located in Gloucester County, New Jersey. We are a third generation HVAC contractor who has recently made the transition to Full Service Home Performance Contracting based on the State's Energy Master Plan and the Incentives that were made available to homeowners for increasing the efficiency of their homes. This transition was not an easy one, and was made based on multiple assurances of various state/program administrators, utilities, etc... that this was not a "short term" program, but a long term initiative.

Before starting in HPw/ES Program a year ago, our business was suffering considerably because of state of the economy. We had reduced our staff by laying off 5 people which is something we lamented having to do and have rarely done in the past. Now, one year later, we have added 11 employees, all of them paid a decent wage and all having full benefits. All of these employees are working 40+ hours a week, with no short weeks, and everyone we hired was unemployed at the time of hire. Our taxable revenues are up approximately 50%, and we have not experienced any of the historical seasonal dips that occur in our industry and have had no layoffs in that time.

The implementation of Home Performance came with extraordinary investments of both time and capital. Expenses incurred include significant equipment & technology upgrades, new fleet vehicles, marketing, staff training, etc.... We also changed our company name of the last 35 years to better reflect our involvement with this new initiative. These investments were made under the assumption that they were aimed toward a long term, sustainable effort, not a short term one. We would not have been able to invest the amount of resources that we have, without the incentives and support we have received from the Home Performance with Energy Star Program.

As stated earlier, before joining the HPw/ES Program, our business was suffering due to poor economic conditions. After completely committing to this change, our sales were up approximately 50% by the fourth quarter of '09, a complete turnaround during a recessed economy, in less than a year. We have done all this while showing a substantial amount of reduction in energy consumption for the approximately 175 homes we have completed or are in the process of completing. Without this program in place, we estimate that less than half of those homes may have gone with high efficiency equipment, the others opting for minimum efficiency replacements, or doing nothing at all.

In making this transition happen, we have had tremendous support from OCE, Honeywell, and CSG. Without the passion, long hours, and helpfulness of the dedicated people at those agencies, we do not feel we could have made this transition or realized the successes we have had.

In conclusion, I would like to point out that I have spoken to many contractors who share a similar story and opinion. The principles of Home Performance are just starting to take root with the contractor and consumer communities, and will continue to create jobs in NJ and reduce energy demand, if allowed too. While some reductions are understandably necessary, any radical reduction of program incentives or a complete stop at this critical point would leave a stimulated market in a hangover state, and completely undo all of the progress this program has made over the last few years. This scenario would be detrimental to our business, our employees, their families, our vendors, and to NJ Homeowners. If this were to occur NJ will also find it difficult to garner contractor participation in any future initiatives.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian J. Bovio'.

Brian J. Bovio  
Operations Manager  
Bovio Advanced Comfort & Energy Solutions

Rubino Service Company  
14 S. Burnt Mill Rd.  
Voorhees, NJ 08043

March 25, 2010

Members of the BPU;

We are a small family owned business since 1975 located in Voorhees, NJ. Prior to participating in the Home Performance with Energy Star Program my business was stagnant and with the downturn economy, I was beginning to worry that I may have to start scaling back to stay in business. Once we became heavily involved in the HPwES Program, things really changed. Because of this program we have been able to do the following in the last 2 years:

- Reduce energy usage in 200+ homes in Camden, Gloucester & Burlington counties
  - This has also helped those families be able to better maintain their budgets with the reduced utility bills
- Increase staff from 13 employees to 19. All but 1 of the new employees were unemployed and collecting unemployment.
- Purchase 6 new Ford vehicles from a local dealership.
- Purchase a new building in Voorhees, NJ to accommodate the growth
- Subcontract out insulation and electrical work to 2 other small businesses in the area that are now keeping their staff busy
- Increase local vendor business (purchasing supplies, parts & equipment)

We are also planning on doing the following within the next 6 months to further accommodate the growth:

- Hire 2 additional employees from the Green Training Program
- Hire an additional installer
- Renovate the purchased building using local businesses

Rubino Service Company has always believed in reducing energy consumption and been a large participator in the WARM & COOL Advantage Program. We have also always been on the leading edge of technology & green movements by installing 90%+ heaters and R410A air conditioning units for over a decade but this was just doing the minimum. Being part of this program has opened our eyes in being able to do more.

We have participated in the HPwES Program because we believe that the foundation of the whole home approach is the way of the future and it does what is right for the environment and for the consumer. We were also assured that our investment into this program was not a



“short-term” initiative. All of these reasons are why we have poured so much money and plans for growth into this program and our business.

While I understand that the current level of incentives are not sustainable, I feel that a halt to the program or dramatic slowdown would have a drastic negative effect on my business as well as other contractors like me would be facing the same issue.

Sincerely,  
Angela Rubino Hines, President  
R.S.C. of Voorhees, Inc  
T/A Rubino Service Company

**THE SOLAR  
ALLIANCE  
MEMBER  
COMPANIES**

American Solar  
Electric  
Applied Materials  
Borrego Solar  
BP Solar  
Conergy  
Evergreen Solar  
First Solar  
Kyocera  
Mainstream Energy  
Mitsubishi Electric  
Oerlikon Solar  
Sanyo  
Schott Solar  
Sharp Solar  
SolarCity  
Solaria  
Solar Power Partners  
SolarWorld  
SPG Solar  
SunEdison  
SunPower  
SunRun  
Suntech  
Tioga Energy  
Trinity Solar  
UniRac  
Uni-Solar

**Working with the  
states to develop  
cost-effective PV  
policies and  
programs.**



March 25, 2010

Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
ATTN: BPU Docket Number: EO07030203  
Two Gateway Center  
Newark, New Jersey 07102

**COMMENTS OF THE SOLAR ALLIANCE IN THE MATTER OF COMPREHENSIVE  
ENERGY EFFICIENCY AND RENEWABLE ENERGY RESOURCE ANALYSIS FOR 2009-  
2010: 2010 PROGRAMS AND BUDGETS: COMPLIANCE FILINGS – REVISIONS TO  
PREVIOUSLY APPROVED BUDGET  
DOCKET NO. EO07030203**

Dear Secretary Izzo:

The Solar Alliance is pleased to submit comments on the proposed revisions to the New Jersey Clean Energy Program (NJCEP) budget for 2010 as posted on the NJCEP website and included in the announcement on March 18, 2010.

The Solar Alliance is a group of approximately 30 of the largest photovoltaic (PV) solar development and manufacturing companies in the United States. The Alliance members work together to advance state legislative and regulatory policies that support solar photovoltaic energy and help capture associated economic development opportunities. The Alliance strives to increase the number and capacity of PV/Solar installations of all types, ensuring the market is vibrant, competitive and diverse.

The Solar Alliance is sensitive to the significant budget challenges we are facing in the state, both in the immediate term and on a going-forward basis. We urge the Board to consider the impact of proposed budget revisions on one of New Jersey's strongest and fastest growing industries. Over the last decade, the solar industry has emerged as an important engine for economic development in New Jersey. The state now boasts over 100 solar businesses, contributing an estimated 2,000 high-paying, high-quality jobs to the local economy. Additionally, more than one-half of all jobs are related to the installation of these clean energy systems – jobs that are inherently local and cannot be outsourced to other states or parts of the globe.

While we understand and appreciate the need to meet our fiscal constraints, we strongly urge the Board to exercise great care in deciding the allocations and trade-offs necessary with a reduced budget. We generally agree with the seven principles applied in developing the proposed changes (listed on page 2 of the Straw Proposal) but also acknowledge that the difficulty is in the details.

Regarding the proposed changes to Renewable Energy Programs and specifically the reduced rebates and funding levels, we encourage the Board to consider the impact these changes will have on the 100 or more solar energy firms in New Jersey, particularly the residential and small commercial installers who may currently rely on these rebates to support their core business. Long term, the industry goal is to reduce dependence on incentives as we move towards grid-parity. In New Jersey, the combination of falling technology costs and improved SREC finance programs can help achieve this. However, in the meantime, rebate programs are critically important to maintaining market stability and protecting hundreds of New Jersey jobs that have been created thus far.

Regarding administrative costs, the Solar Alliance applauds the Board's efforts to improve simplicity and efficiency across the organization and its processes. While these improvements are taking place, we strongly suggest the market management function be adequately maintained to ensure timely processing of applications for both rebate and SREC-only programs which together affect the entire New Jersey solar energy market. Lastly, we ask the Commission ensure sufficient funding, through staff or technology, to continue the program and market reporting which is so critical to transparency and accountability.

In summary, the Solar Alliance accepts certain reasonable revisions to the NJCEP budget but asks the Commission to consider their proposals in light of the recommendations above, ensuring changes in 2010 and anticipated changes in 2011 are prioritized accordingly.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Carrie Cullen Hitt".

Carrie Cullen Hitt, President



March 25, 2010

Office of Clean Energy  
Board of Public Utilities  
State of New Jersey  
Two Gateway Center  
Newark, New Jersey 07102

RE: OCE Straw Proposal Related to NJCEP 2010 Budget Modifications  
Comments Regarding Impact of Cuts to Biomass Renewable Energy Project Funding

Dear Office of Clean Energy ,

Thank you for the opportunity to offer feedback regarding the captioned.

We are very concerned about the dramatic reduction in the Renewable Energy Incentive Program funding for biomass projects. Combining biomass and wind projects into one budget and reducing the funding by 79% to only \$4.5 million will devastate efforts by entrepreneurs and small businesses to drive innovation and job creation in these two important sectors of the renewable energy market. Though there might be more headlines regarding solar projects, please understand that there is important work in the biomass area that needs the support of the OCE.

For example CitiLog has spent the past 12 months planning Wood Biomass Processing and Renewable Energy Centers for Newark and Camden County. The centers will accept all forms of tree waste and will create wood products from the logs and carbon neutral power from the chips and stumps using wood gasification technology. Our novel business model will produce a broad range of benefits for New Jersey including:

- 4 MW of carbon neutral electricity production capacity
- 100+ new permanent jobs in Newark and Camden County; unlike other forms of renewable energy, biomass projects have a permanent need for significant manpower.
- 6 month job training program for disadvantaged urban youth, including folks in prisoner re-entry programs; expect to graduate 60+ annually.
- Diversion of 100,000+ tons of wood biomass from the waste stream annually
- Local production of thousands of board feet of wood products thereby reducing demand to harvest trees for lumber
- Reduction in waste wood disposal costs for towns in Essex and Camden counties.

We are on target to begin operations and begin hiring employees in Q4 2010 in both Newark and Camden County. However Phase I of our funding strategy is dependent on receiving \$1,900,000 from the Renewable Energy Incentive Program, which under the strawman OCE budget would account for over 40% of the funding for all biomass and wind projects. If we cannot secure the funds, it is highly unlikely we will proceed with this project in New Jersey – rather we will advance our plans to open sites in PA, MD, VA and IL which are frankly lower cost venues.

We have a broad base of support in New Jersey to open our two sites including:

Prudential – Social Investments Group  
The Port Authority of NY/NJ  
The City of Newark/Brick City Development Corporation  
The Geraldine R. Dodge Foundation  
The Newark Prisoner Re-Entry Program  
The State Parole Board

We selected New Jersey to launch our new business model largely because of the strong financial support provided by the OCE for biomass projects. To support entrepreneurial efforts such as ours, it is critical that the OCE maintain an adequate level of funding for biomass projects to help promote this essential and very robust form of renewable energy. Based on our Phase I and future funding needs, as well as the likely existence of several other wind and biomass projects, the \$4.5M OCE budget for wind and biomass projects is inadequate – the 79% reduction is too aggressive.

Sincerely,

Andrew Tomlinson  
Vice President of Finance and Business Development  
CitiLog



## **SUN ELECTRICAL CORPORATION**

**308 DRUM POINT ROAD - BRICK TOWNSHIP, NJ 08723**

Phone: 732-477-3500 Fax: 732-477-5789 Estimating Fax: 732-477-0567

[www.sunelectricalconstruction.com](http://www.sunelectricalconstruction.com)

To: N.J. Board of Public Utilities  
Attn: Kristi Izzo Secretary of the Board  
From: Phil Galletta Solar Division Manager

Dear Mrs. Izzo

You ivory tower people are not in the real world. An evidently you don't know what it takes to move solar renewable energy forward especially in to day's economic climate to say it mildly. It seems that between the state & federal governments the renewable energy movement is nothing but political green wash. It looks like NJCEP and solar are back to 1/08 rebate limbo, one step ahead and two steps back. I looked at the straw proposal and saw the lowering of the rebates residential and commercial. Now rumor has it that commercial rebates are going to be eliminated totally. Commercial is the only group that has the financial ware withal to make a significant impact on moving solar forward in a frozen economy. As you know the Federal grant, the state rebate and the accelerated bonus depreciation made the ROI and IRR look quite attractive. It has been explained to me that in the corporate world there is a new policy or mandate in regard to new investments and capitol expenditures. Their new policy is that new investments and capital asset expenditures must have a 2-3 year ROI or they can't invest in it. With the recent past rebates in the commercial sector we were able to meet that criterion. I guess now that's gone? You are not only shooting solar in the foot but with this rebate change/elimination in commercial, you're shooting solar in the head.

Another main issue is why Governor Christie is able to take the money out of the Clean Energy Rebate Program. My understanding of the rebate funding program is that the funds come from the SBC (Society benefits charge) which is paid by the rate payers to the utility companies not the state. With that being said what gives Governor Christi the right to take that money? Wouldn't that be considered misappropriation of funds? Please advice.

Sincerely,  
Phil Galletta



March 24, 2010

The Office of Clean Energy  
STATE OF NEW JERSEY  
Board of Public Utilities  
Attn: Kristi Izzo, Secretary of the Board  
Two Gateway Center  
Newark, NJ 07102

Re: New Jersey Clean Energy Program – The Straw Proposal

Dear Ms. Izzo,

Thank you for this opportunity to comment prior to the implementation of Executive Order 14, which requires the Board to revise the 2010 programs and budgets reflecting the loss of clean energy program funding.

While it is apparent that other states may have some technological and geographical advantages in renewable energy sources, such as biomass, hydropower, geothermal and wind energies, it is also apparent that New Jersey is currently in a position to take the nation's lead in development of state-of-the-art photovoltaic (PV) solar cells.

As mentioned above, new and advanced solar cell technology is the one renewable energy source that New Jersey is currently on the leading edge of advancements. With appropriate levels of funding for advanced PV cell development and low-cost manufacturing methods, the State of New Jersey will be in a strong position to maintain the momentum of being at the forefront of this technology. With the proposed decreased levels of support from the State of New Jersey, this ability to become the best solar cell producer in this nation will diminish quickly.

Sunlight is a New Jersey-based company focused on the development of the next generation of solar cell technology, utilizing new high-efficiency multi-junction designs in combination with low-cost thin-film materials that are non-toxic, yet reducing manufacturing costs so as to remove competitive threats of other countries in this industry sector. At Sunlight, we recognize that continued advances in solar energy technology and the efficient, low-cost manufacturing of solar cells and systems are vital to America's energy future.

We are hopeful that you will consider this funding to be vital to the well being of this state and that you will maintain the existing funding level of the New Jersey Clean Energy Program in support of solar cell technology development and manufacturing.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Cyrus", written over a white background.

Michael Cyrus  
Chief Executive Officer  
SUNLIGHT PHOTONICS INC.  
600 Corporate Court, Ste C  
South Plainfield, NJ 07080  
(908) 753-9800



March 25, 2010

Kristi Izzo  
Board of Public Utilities  
2 Gateway Ctr.  
Newark, NJ 07102

Dear Ms. Izzo:

As a New Jersey resident for 12 years and energy auditor, I am hereby providing my comments to the BPU on the proposed revision for the 2010 Energy Efficiency and Renewable Energy program budgets. Energy efficiency and renewable energy are critical to the economy and physical health of all New Jersey residents.

Energy Auditors are a growing workforce of hundreds of scientists, engineers, and experienced technicians who work mainly for small businesses dependent on the rebate funds provided by the NJ Clean Energy Program to sustain our families. For example, it is proposed to cut \$75 from the energy audit CONTRACTOR INCENTIVE. After finalizing all related work with an energy audit and quality control of related home improvements, the energy auditor contractor may spend upwards of 16 hours for just one customer. Between the time taken to perform an audit and the gross revenue from the audit a contractor would receive approximately \$14 an hour. This hard technical work requires the buying of expensive equipment and training. The additional elimination of BPI TRAINING AND TOOLS subsidies will further exacerbate the financial outlook for energy auditing businesses. Further, the CUSTOMER INCENTIVE CAP reduction to \$5,000 will impair the completion of energy saving measures, which is currently \$10,000. These four funding sources must be maintained: \$175 CONTRACTOR INCENTIVE, BPI ACCREDITATION AND TOOLS, and \$10,000 CUSTOMER INCENTIVE CAP.

The impact of the planned fund reduction will reverberate through the entire state economy and the health of its citizens. Many studies relate power plant pollution with Asthma and other sicknesses. By implementing energy efficient measures the consumers are indirectly changing for the better the quality of New Jersey's air and even more, reducing or preventing increases in pollution related sickness.

As you are aware, the NJ Clean Energy program is critical for the economy, as well as, the physical health of NJ citizens. Please ensure funding for these 4 funding sources are maintained: \$175 CONTRACTOR INCENTIVE, BPI ACCREDITATION AND TOOLS SUBSIDY, and \$10,000 CUSTOMER INCENTIVE CAP in the 2010 NJ Clean Energy program. The families of the energy efficiency workforce, as well as, of all New Jersey residents will be very grateful for it.

Sincerely,

Edgardo Suarez  
Energy Auditor  
Bloomfield, NJ 07003  
ESuarez110@AOL.com



**Comments from Julie Lange Groth, Sustainable Communities Project Director, Association of NJ Environmental Commissions (ANJEC)  
March 25, 2010**

I respectfully submit these comments on the revised Clean Energy Budget in hopes that the current Administration will restore funding to these valuable BPU programs that promote a “clean energy economy” in New Jersey, help reduce climate-changing greenhouse gases and promote economic stability by enabling residents and businesses to save money. I add my voice to others who ask that the budget cuts be reconsidered for the following reasons:

The proposed 39% cut to energy efficiency programs defeats the purpose of improving NJ’s economic health:

- Energy efficiency lowers costs for residents, leaving them with more to spend on goods and services that stimulate the economy.
- Energy efficiency lowers business costs, leaving companies with more money for payroll and business growth.

Cutting renewable energy funding by 78% will:

- kill our momentum toward the goal of energy independence and the benefits of a clean energy future, i.e. moderation of climate change, clean air, environmental damage caused by dirty coal-fired energy generation.
- slow the economic engine of NJ’s new green economy--less demand for renewable energy will mean less demand for NJ-manufactured solar panels and fewer jobs in the manufacture, sales, service and installation of renewable energy systems.

The proposed cuts will break the promise of NJ’s Energy Master Plan to build an energy future with adequate, reliable energy supplies that are both environmentally responsible and competitively priced.

The proposed cuts also violate the trust of the state’s energy ratepayers whose monthly contribution in societal benefits charges have been hijacked for purposes they did not approve.

March 25, 2010

Kristi Izzo  
Board of Public Utilities  
2 Gateway Ctr.  
Newark, NJ 07102

Dear Ms. Izzo:

As a New Jersey resident for 12 years and energy auditor, I am hereby providing my comments to the BPU on the proposed revision for the 2010 Energy Efficiency and Renewable Energy program budgets. Energy efficiency and renewable energy are critical to the economy and physical health of all New Jersey residents.

Energy Auditors are a growing workforce of hundreds of scientists, engineers, and experienced technicians who work mainly for small businesses dependent on the rebate funds provided by the NJ Clean Energy Program to sustain our families. For example, it is proposed to cut \$75 from the energy audit CONTRACTOR INCENTIVE. After finalizing all related work with an energy audit and quality control of related home improvements, the energy auditor contractor may spend upwards of 16 hours for just one customer. Between the time taken to perform an audit and the gross revenue from the audit a contractor would receive approximately \$14 an hour. This hard technical work requires the buying of expensive equipment and training. The additional elimination of BPI TRAINING AND TOOLS subsidies will further exacerbate the financial outlook for energy auditing businesses. Further, the CUSTOMER INCENTIVE CAP reduction to \$5,000 will impair the completion of energy saving measures, which is currently \$10,000. These four funding sources must be maintained: \$175 CONTRACTOR INCENTIVE, BPI ACCREDITATION AND TOOLS, and \$10,000 CUSTOMER INCENTIVE CAP.

The impact of the planned fund reduction will reverberate through the entire state economy and the health of its citizens. Many studies relate power plant pollution with Asthma and other sicknesses. By implementing energy efficient measures the consumers are indirectly changing for the better the quality of New Jersey's air and even more, reducing or preventing increases in pollution related sickness.

As you are aware, the NJ Clean Energy program is critical for the economy, as well as, the physical health of NJ citizens. Please ensure funding for these 4 funding sources are maintained: \$175 CONTRACTOR INCENTIVE, BPI ACCREDITATION AND TOOLS SUBSIDY, and \$10,000 CUSTOMER INCENTIVE CAP in the 2010 NJ Clean Energy program. The families of the energy efficiency workforce, as well as, of all New Jersey residents will be very grateful for it.

Sincerely,

Edgardo Suarez  
Energy Auditor  
Bloomfield, NJ 07003  
ESuarez110@AOL.com



State of New Jersey  
DEPARTMENT OF THE PUBLIC ADVOCATE  
DIVISION OF RATE COUNSEL  
31 CLINTON STREET, 11<sup>TH</sup> FL  
P. O. BOX 46005  
NEWARK, NEW JERSEY 07101

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

STEFANIE A. BRAND  
*Acting Public Advocate  
Director – Rate Counsel*

March 25, 2010

**Via Electronic Mail**

Honorable Kristi Izzo, Secretary  
New Jersey Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

**Re: In the Matter of Comprehensive Energy Efficiency  
and Renewable Energy Resource Analysis for 2009-2010:  
2010 Programs and Budgets: Compliance Filings – Revisions  
to Previously Approved Budget  
BPU Docket No.: EO07030203**

Dear Secretary Izzo:

This letter is in response to the March 18, 2010 Notice regarding this proceeding. While that Notice requested comments by today, it is our understanding that President Solomon announced at today's Public Hearing that this proceeding will be extended to have a more formal comment period for interested stakeholders. Accordingly, the New Jersey Division of Rate Counsel will provide comments regarding this matter pursuant to the yet to be announced comment period deadline. Thank you for your consideration.

Respectfully submitted,

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