



REQUEST FOR COMMENTS

Proposed 2d Revision to FY18 NJCEP Budget (Staff-Authorized)

BACKGROUND AND PROCESS

By Order dated February 4, 2014, the Board authorized its Staff to revise NJCEP budgets so long as certain conditions are met. Specifically, the Board authorized its Staff to revise NJCEP budgets within a given Funding Category, such as Energy Efficiency (EE), Renewable Energy, etc., so long as the reallocation would not reduce any Program's Budget by more than 10%.

The Order requires Staff to provide a written notice to each Commissioner at least seven (7) days prior to implementing any budget revision, which notice Staff has provided for these proposed revisions. In addition, the Order requires that notice and an opportunity to comment be provided before any budget revision is implemented, which requirement is satisfied by the issuance of this request for comments.

PROPOSED BUDGET REVISIONS

During FY18, the Residential New Construction ("RNC") Program has experienced an unexpected but welcome increase in participation rates and market demand, especially for multifamily projects. Multifamily projects generally receive higher incentives and provide higher energy savings than single family projects. Accordingly, Board Staff proposes to increase the RNC Program's budget by \$3,400,000, which would provide the Program with the funds Staff expects to be sufficient to support the now-expected demand through the end of FY18.

On the other hand, the Residential HVAC, EE Products, and Pay for Performance – New Construction (P4P NC) Programs have all experienced lower than expected participation and demand in FY18 and therefore would be expected to finish FY18 with budget surpluses if their budgets were not decreased. Accordingly, Board Staff proposes to decrease their budgets by \$1,000,000, \$1,200,000, and \$1,200,000, respectively. With these decreases, Board Staff would expect the Programs to have sufficient funds to continue normal Program operations through the end of FY18. All of the proposed increases and decreases would occur within the Rebates, Grants, and Other Direct Incentives cost category.

The following tables show the current Board-approved budget, the proposed revisions to that budget, and the resultant budget. No other budget revisions have been approved by Board Staff during FY18 for these programs.

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Proposed Staff-Authorized FY18 Budget Revisions

Current Board Approved FY18 Detailed Budgets

<i>Program/Budget Line</i>	<i>Total</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing, and QA</i>	<i>Evaluation</i>
HVAC	\$10,700,000.00	\$1,530,406.12	\$40,112.26	\$345,000.00	\$8,145,919.02	\$638,562.60	\$0.00
RNC	\$20,667,472.41	\$1,555,263.42	\$40,112.14	\$84,000.00	\$18,341,549.26	\$646,547.59	\$0.00
EE Products	\$12,000,000.00	\$996,621.77	\$40,112.14	\$34,000.00	\$7,469,157.66	\$3,460,108.43	\$0.00
P4P NC	\$21,012,655.81	\$972,340.47	\$40,112.14	\$70,000.00	\$19,753,932.71	\$176,270.49	\$0.00

Proposed Revisions

<i>Program/Budget Line</i>	<i>Total</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing, and QA</i>	<i>Evaluation</i>
HVAC	(\$1,000,000.00)				(\$1,000,000.00)		
RNC	\$3,400,000.00				\$3,400,000.00		
EE Products	(\$1,200,000.00)				(\$1,200,000.00)		
P4P NC	(\$1,200,000.00)				(\$1,200,000.00)		
Total	\$0.00				\$0.00		

Resultant Revised FY18 Detailed Budgets

<i>Program/Budget Line</i>	<i>Total</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing, and QA</i>	<i>Evaluation</i>
HVAC	\$9,700,000.00	\$1,530,406.12	\$40,112.26	\$345,000.00	\$7,145,919.02	\$638,562.60	\$0.00
RNC	\$24,067,472.41	\$1,555,263.42	\$40,112.14	\$84,000.00	\$21,741,549.26	\$646,547.59	\$0.00
EE Products	\$10,800,000.00	\$996,621.77	\$40,112.14	\$34,000.00	\$6,269,157.66	\$3,460,108.43	\$0.00
P4P NC	\$19,812,655.81	\$972,340.47	\$40,112.14	\$70,000.00	\$18,553,932.71	\$176,270.49	\$0.00

PROCESS AND SCHEDULE FOR SUBMITTING COMMENTS

Staff is requesting comments on the Proposed Budget Revisions. Comments regarding the foregoing should be submitted to publiccomments@njcleanenergy.com by 5 pm on January 9, 2018 under the subject heading “Request for Comments - Proposed 2nd Revision to FY18 NJCEP Budget.”