

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications to EE & RE Program Budget

Date: June 20, 2014

By Order dated February 4, 2014 the Board authorized Staff to make modifications to NJCEP budgets provided certain conditions were met. Specifically, the Board authorized Staff to modify NJCEP budgets within a given Funding Category, such as EE, RE, EDA, etc., provided that the reallocation does not reduce a program's budget by more than 10%.

The Order requires Staff to provide a written notice to each Commissioner at least seven days prior to implementing any budget modification which Staff has done. The Order also requires Staff to circulate proposed budget modifications for comment prior to implementing the proposed changes which is the purpose of this request for comments.

By letter dated June 2, 2014, Honeywell notified Staff that it continues to experience an increase in participation in the Home Performance with Energy Star (HPwES), Energy Efficient Products (EEP) and Renewable Energy Incentive (REIP) programs. It is projecting a need for additional funds to meet anticipated participation levels in these programs through the remainder of the fiscal year (FY). The following summarizes proposed budget modifications intended to address this need.

Residential EE Programs

Honeywell has estimated that the Residential New Construction (RNC) program will have an unspent/uncommitted balance of \$2,121,396.99 at the end of the fiscal year and is proposing a transfer of \$1,821,009.29 or 10% from the program's Rebate, Grants and Other Direct incentives budget component to the residential EE programs noted below. The proposed decrease to the RNC budget component will have no adverse impact on the ability to meet current and future projected program commitments.

1. Transfer \$1,092,605.57 to the Rebate, Grants and Other Direct incentives budget component of the Energy Star Products program.
2. Transfer \$728,403.72 to the HPwES program to be split amongst the budget categories as follows:
 - a. \$50,349.43 transferred to the Rebate Processing, Inspections and Other Quality Control component of the HPwES program budget.
 - b. \$678,054.29 transferred to the Rebate, Grants and Other Direct incentives budget component of the HPwES program budget.

The following table shows the budget previously approved by the Board or as modified by Staff pursuant to the Board's February 4th Order, the proposed transfer, the proposed budget, the

amount of the proposed transfer as a percentage of the program budget and the date of last transfer which indicates the date that Staff authorized a transfer in accordance with the Board's February 4th Order (no date indicates that Staff has not reduced the budget previously approved by the Board).

Program	3rd Revised FY 2014 Budget	Transfer	Proposed Budget Totals	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	% of Budget	Date of Last Transfer
Residential New Construction	\$18,210,092.90	(\$1,821,009.29)	\$16,389,083.61	\$14,210,990.71	\$666,282.90	-10%	3/31/2014
ENERGY STAR Products	\$18,941,211.36	\$1,092,606.00	\$20,033,816.93	\$17,669,884.09	\$497,750.00	6%	5/5/2014
Home Performance with Energy Star	\$40,750,190.37	\$728,403.72	\$41,478,594.09	\$38,094,369.17	\$2,339,803.84	2%	5/5/2014
<i>Totals</i>	\$91,569,170.71	\$0.00	\$91,569,170.71	\$78,510,174.27	\$5,282,330.77	0%	
Transfer	\$0.00	\$0.00	\$0.00	(\$50,349.43)	\$50,349.43		

REIP Program

Based upon the increased quantity of new SRP Registrations received in 2014, the Market Manager forecasts that an additional \$46,000 will be required for processing fees and inspection fees related to the SREC Registration program. The Market Manager is therefore proposing a transfer of \$46,000 or .24% from the REIP program's Rebate, Grants and Other Direct incentives budget component to the Rebate Processing, Inspections and Other Quality Control component of the REIP program budget. The proposed decrease to the REIP program's Rebate, Grants and Other Direct incentives budget component will have no adverse impact on the ability to meet current and future projected program commitments.

The following table shows the budget previously approved by the Board, the proposed transfer, and the proposed budget by budget category. The overall REIP budget remains unchanged.

	FY14 Budget	Administration, IT and Program Development	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control
Current REIP Budget	\$19,487,818.30	\$1,605,574.74	\$15,778,528.36	\$2,103,715.20
Proposed Transfer			(\$46,000.00)	\$46,000.00
Revised REIP Budget	\$19,487,818.30	\$1,605,574.74	\$15,732,528.36	\$2,149,715.20

Comments regarding the proposed budget modification should be submitted to:

publiccomments@njcleanenergy.com

by COB June 26, 2014 with the subject heading "Proposed Modifications to the EE & RE Program Budget"