

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications EE Program Budget

Date: April 25, 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 programs 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 April 21, 2014, Honeywell notified Staff that it continues to experience an increase in participation in the Home Performance with Energy Star (HPwES) and Energy Efficient Products (EEP) 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 HPwES program Rebate Processing, Inspections and Other Quality Control budget category expense level is currently at 98% and the EEP program has experienced higher than anticipated demand on program promotions.

Honeywell has indicated that participation levels in the Residential HVAC program are lower than anticipated such that approximately \$2.2 million will remain unspent at the end of the FY. Honeywell is proposing to transfer funds from the Residential HVAC program to the HPwES and EEP programs as follows:

1. Transfer \$1,373,076.89 from the Rebate, Grants and Other Direct incentives component of the Residential HVAC program budget.
2. Transfer \$688,098.38 to the Rebate Processing, Inspections and Other Quality Control component of the HPwES program budget, and
3. Transfer \$684,978.51 to the Rebates, Grants and Other Direct Incentives component of the EEP Program budget.

The following table shows the budget previously approved by the Board, 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 either the date the Board approved the current budget (if left blank) or the date that Staff authorized a transfer in accordance with the Board's February 4th Order.

	2nd Revised FY 2014 Budget	Transfer	Proposed Budget	% of Budget	Date of Last Transfer
Residential HVAC - Electric & Gas	\$13,730,768.98	\$(1,373,076.90)	\$12,357,692.08	-10%	
ENERGY Efficient Products	\$18,256,232.84	\$684,978.51	\$18,941,211.35	4%	
Home Performance with Energy Star	\$40,062,091.99	\$688,098.38	\$40,750,190.37	2%	3/31/2014

Comments regarding the proposed budget modification should be submitted to:

publiccomments@njcleanenergy.com

by COB May 2, 2014 with the subject heading “Proposed Modifications to the EE Program Budget.”