

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

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

Date: April 27, 2015

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% within any 60 day period.

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 email dated April 17, 2015, TRC notified Staff that it has experienced an increase in participation in the Pay for Performance: Existing Buildings and Local Government Energy Audit programs. As of April 17, 2015 year to date expenses plus commitments equaled 94% of the Pay for Performance: Existing Buildings program budget. Expenses plus commitments for the Local Government Energy Audit program currently total only 71% of the program budget, however, TRC has a large number of applications in the pipeline that would cause it to exceed the incentive budget category without the transfer of additional funds.

TRC is projecting a need for additional funds to meet anticipated participation through the remainder of the fiscal year and requested the transfer of \$300,000 to the Pay for Performance: Existing Buildings program and \$150,000 to the Local Government Energy Audit program. TRC proposed that \$50,000 be transferred from the Large Energy Users program, \$300,000 from the Pay for Performance: New Construction program, and \$100,000 from the C&I New Construction program. TRC indicated that the proposed decreases to these program budgets will have no adverse impact on its ability to meet current and future projected program commitments.

The following table shows the overall FY15 budget previously approved by the Board, the proposed transfer, the proposed budget and the amount of the proposed transfer as a percentage of the program budget.

Proposed Transfers Between Programs

Program	Approved FY15 Budget	Proposed Transfer	Proposed Budget	Proposed Transfer as % of Budget
Large Energy Users Program	\$ 14,124,758.89	(\$50,000.00)	\$ 14,074,758.89	-0.35%
Pay for Performance NC	\$ 12,579,268.58	(\$300,000.00)	\$ 12,279,268.58	-2.38%
Pay for Performance EB	\$ 28,691,851.98	\$300,000.00	\$ 28,991,851.98	1.05%
New Construction	\$ 3,405,210.99	(\$100,000.00)	\$ 3,305,210.99	-2.94%
Local Government Energy Audit	\$ 2,416,980.50	\$150,000.00	\$ 2,566,980.50	6.21%
Total	\$ 61,218,070.94	\$ -	\$ 61,218,070.94	

TRC is also proposing to transfer funds within a program budget from the Training and Technical Support or Rebate Processing budget category to the Rebates, Grants and Other Direct Incentives budget category as follows:

Proposed Transfers Between Budget Categories within Programs

Program	Transfer from Training and Technical Support	Transfer from Rebate Processing, Inspections and Other Quality Control	Transfer to Rebates, Grants and Other Direct Incentives
New Construction	\$ (39,300.00)		\$ 39,300.00
Retrofit	\$ (42,500.00)		\$ 42,500.00
Pay for Performance - Existing	\$ (40,900.00)		\$ 40,900.00
Pay for Performance - New	\$ (34,600.00)		\$ 34,600.00
Local Government Energy Audit		\$ (179,000.00)	\$ 179,000.00
Total	\$ (157,300.00)	\$ (179,000.00)	\$ 336,300.00

The following tables show the detailed budgets (overall program budget broken down by budget categories) previously approved by the Board, the proposed transfers, and the proposed budgets that result from all of the changes discussed above:

Proposed Revisions to FY15 C&I EE Program Budget						
Board Approved Budget 4/15/15:						
	FY15 Budget	Admin.and Program Development	Sales, Marketing, Call Centers, Web Site	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other Quality Control
COMMERCIAL & INDUSTRIAL EE PROGRAMS						
C&I New Construction	\$ 3,405,210.99	\$ 237,454.00	\$ -	\$ 393,591.00	\$ 2,650,521.75	\$ 123,644.24
C&I Retrofit	\$ 62,058,738.87	\$ 747,550.80	\$ -	\$ 425,078.28	\$ 56,465,194.19	\$ 4,420,915.60
Pay for Performance New Construction	\$ 12,579,268.58	\$ 149,600.00	\$ -	\$ 399,860.08	\$ 11,864,808.50	\$ 165,000.00
Pay for Performance	\$ 28,691,851.98	\$ 579,800.00	\$ -	\$ 547,334.64	\$ 26,927,737.42	\$ 636,979.92
Local Government Energy Audit	\$ 2,416,980.50	\$ 220,000.00	\$ -	\$ -	\$ 1,380,320.50	\$ 816,660.00
Direct Install	\$ 47,881,360.42	\$ 501,551.80	\$ -	\$ 10,000.00	\$ 46,939,640.42	\$ 430,168.20
Marketing	\$ 1,075,000.00	\$ -	\$ 1,075,000.00	\$ -	\$ -	\$ -
Large Energy Users Program	\$ 14,124,758.89	\$ 147,916.00	\$ -	\$ -	\$ 13,758,782.69	\$ 218,060.20
Total C&I EE Programs	\$172,233,170.23	\$ 2,583,872.60	\$ 1,075,000.00	\$1,775,864.00	\$159,987,005.47	\$ 6,811,428.16
Proposed Transfers 4/20/15:						
	Total Proposed Transfer	Admin.and Program Development	Sales, Marketing, Call Centers, Web Site	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other Quality Control
COMMERCIAL & INDUSTRIAL EE PROGRAMS						
C&I New Construction	\$ (100,000.00)	\$ -	\$ -	\$ (39,300.00)	\$ (60,700.00)	\$ -
C&I Retrofit	\$ -	\$ -	\$ -	\$ (42,500.00)	\$ 42,500.00	\$ -
Pay for Performance New Construction	\$ (300,000.00)	\$ -	\$ -	\$ (34,600.00)	\$ (265,400.00)	\$ -
Pay for Performance	\$ 300,000.00	\$ -	\$ -	\$ (40,900.00)	\$ 340,900.00	\$ -
Local Government Energy Audit	\$ 150,000.00	\$ -	\$ -	\$ -	\$ 329,000.00	\$ (179,000.00)
Direct Install	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Large Energy Users Program	\$ (50,000.00)	\$ -	\$ -	\$ -	\$ (50,000.00)	\$ -
Total C&I EE Programs	\$ -	\$ -	\$ -	\$ (157,300.00)	\$ 336,300.00	\$ (179,000.00)
Proposed Revised Budget 4/20/15:						
	Total Proposed FY 2015 Budget	Admin.and Program Development	Sales, Marketing, Call Centers, Web Site	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other Quality Control
COMMERCIAL & INDUSTRIAL EE PROGRAMS						
C&I New Construction	\$ 3,305,210.99	\$ 237,454.00	\$ -	\$ 354,291.00	\$ 2,589,821.75	\$ 123,644.24
C&I Retrofit	\$ 62,058,738.87	\$ 747,550.80	\$ -	\$ 382,578.28	\$ 56,507,694.19	\$ 4,420,915.60
Pay for Performance New Construction	\$ 12,279,268.58	\$ 149,600.00	\$ -	\$ 365,260.08	\$ 11,599,408.50	\$ 165,000.00
Pay for Performance	\$ 28,991,851.98	\$ 579,800.00	\$ -	\$ 506,434.64	\$ 27,268,637.42	\$ 636,979.92
Local Government Energy Audit	\$ 2,566,980.50	\$ 220,000.00	\$ -	\$ -	\$ 1,709,320.50	\$ 637,660.00
Direct Install	\$ 47,881,360.42	\$ 501,551.80	\$ -	\$ 10,000.00	\$ 46,939,640.42	\$ 430,168.20
Marketing	\$ 1,075,000.00	\$ -	\$ 1,075,000.00	\$ -	\$ -	\$ -
Large Energy Users Program	\$ 14,074,758.89	\$ 147,916.00	\$ -	\$ -	\$ 13,708,782.69	\$ 218,060.20
Total C&I EE Programs	\$172,233,170.23	\$ 2,583,872.60	\$ 1,075,000.00	\$1,618,564.00	\$160,323,305.47	\$ 6,632,428.16

Comments regarding the proposed budget modification should be submitted to:

publiccomments@njcleanenergy.com

by COB May 4, 2015 with the subject heading "Proposed Modifications to the EE Program Budget"