



## Request for Comments

### NJCEP Fiscal Year 2020 Proposed Second Budget Revisions and Draft Electric Vehicle Program Compliance Filing

#### **FISCAL YEAR 2020 PROPOSED SECOND BUDGET REVISIONS**

The Fiscal Year 2020 (FY20) *New Jersey's Clean Energy Program* (NJCEP) budget was approved through a June 21, 2019 Board Order (Docket No. QO19050645) and trued up and revised through a January 8, 2020 Board Order. Board Staff (Staff) now proposes a second revision to the FY20 Budget (Proposal), reallocating funds among various programs, all as described in more detail below.

A review of FY20 first quarter program expenditures showed that some program spending is tracking above, and other program spending is tracking below, the original projections. In addition, Staff has otherwise updated its projections as to expected spending for the remainder of FY20. More details about the Proposal is set forth below.

Staff requests comments on the Proposal prior to presenting it to the Board for consideration. The schedule and process for submitting comments is set forth at the end of this Request for Comments.

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## **ALLOCATIONS AND RATIONALE**

### Increases

The Proposal is to increase the budgets for the programs below in the following amounts and for the following reasons:

<b><u>Program</u></b>	<b><u>Reason(s)</u></b>	<b><u>Amount in \$<sup>1</sup></u></b>
Commercial & Industrial Buildings	Increased participation and incentive levels due to the introduction of enhanced incentives.	9,388,788
Energy Efficient Products	Increased participation in the appliance rebate component of the program plus expected impact of the upcoming marketing campaign.	1,015,655
Residential New Construction	Increased participation of multifamily projects.	395,217
Local Government Energy Auditing	Increased participation in part due to enhanced incentives.	133,928
SREC Registration	Potential for increased participation, in part as a result of the impending closing of the program when the 5.1% milestone is attained.	100,000
Combined Heat and Power	Increased level of applications processed in FY20.	66,891
NJCEP Administration Cost Category	Cost of expanding a third-party SSAE audit of NJCEP.	70,568

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<sup>1</sup> If there is any inconsistency between these amounts and those set forth in the Budget Tables set forth below, the amounts set forth in the Budget Tables shall take precedence.

Deductions

The Proposal is to decrease the budgets for the programs below in the following amounts and for the following reasons:

<u>Program</u>	<u>Reason(s)</u>	<u>Amount IN \$<sup>1</sup></u>
Direct Install	Lower than anticipated participation levels.	-9,979,312
Multifamily	Program has not launched. Proposal is to reallocate fixed costs across other programs, with no net change in total fixed costs (portfolio wide) collected.	-1,319,468

Electric Vehicles

On January 17, 2020, Governor Murphy signed S-2252 into law ([P.L.2019, c.362](#)), which created an incentive program for light-duty electric vehicles and at-home electric charging infrastructure. The current Electric Vehicle Program budget is \$30,000,000. In order to adhere to the requirements of the law, Staff is recommending reallocating \$15,000,000 to fund the Plug-In Electric Vehicle Fund and also reallocating \$5,000,000 to the administration cost category to cover administration costs. The total Electric Vehicle budget would remain the same. Also for comment, staff is releasing the draft Electric Vehicle Charge Up New Jersey Program Compliance Filing.

<i>Program/Budget Line</i>	<i>Total Revised Budget</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>
Electric Vehicles	\$30,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$25,000,000.00	\$0.00	\$0.00
Charge Up New Jersey Program	\$15,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$10,000,000.00	\$0.00	\$0.00
Plug In EV Incentive Fund	\$15,000,000.00	\$0.00	\$0.00	\$0.00	\$15,000,000.00	\$0.00	\$0.00

**BUDGET TABLES**

The following tables show the Proposed Budget Revisions and the resulting Proposed Second Revised FY20 Budget:

FY2020 Proposed Adjustments		Cost Category Budgets					
Program/Budget Line	Total Revised Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
<b>EE Programs</b>	<b>(\$166,890.64)</b>	<b>(\$13,321.91)</b>	<b>(\$5,801.04)</b>	<b>\$0.00</b>	<b>(\$763,583.23)</b>	<b>\$615,815.54</b>	<b>\$0.00</b>
<b>Res EE Programs</b>	<b>\$1,609,172.78</b>	<b>\$497,571.06</b>	<b>\$11,601.72</b>	<b>\$0.00</b>	<b>\$750,000.00</b>	<b>\$350,000.00</b>	<b>\$0.00</b>
Existing Homes	\$198,299.93	\$192,499.13	\$5,800.80	\$0.00	\$0.00	\$0.00	\$0.00
RNC	\$395,217.44	\$292,317.04	\$2,900.40	\$0.00	\$0.00	\$100,000.00	\$0.00
EE Products	\$1,015,655.41	\$12,754.89	\$2,900.52	\$0.00	\$750,000.00	\$250,000.00	\$0.00
<b>C&amp;I EE Programs</b>	<b>(\$456,595.78)</b>	<b>\$428,813.19</b>	<b>\$23,203.68</b>	<b>\$0.00</b>	<b>(\$1,513,583.23)</b>	<b>\$604,970.58</b>	<b>\$0.00</b>
C&I Buildings	\$9,388,788.01	\$371,385.37	\$17,402.64	\$0.00	\$8,500,000.00	\$500,000.00	\$0.00
LGEA	\$133,927.85	\$26,056.75	\$2,900.52	\$0.00	\$0.00	\$104,970.58	\$0.00
DI	(\$9,979,311.64)	\$31,371.07	\$2,900.52	\$0.00	(\$10,013,583.23)	\$0.00	\$0.00
<b>Multi-family EE</b>	<b>(\$1,319,467.64)</b>	<b>(\$939,706.16)</b>	<b>(\$40,606.44)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$339,155.04)</b>	<b>\$0.00</b>
Multifamily	(\$1,319,467.64)	(\$939,706.16)	(\$40,606.44)	\$0.00	\$0.00	(\$339,155.04)	\$0.00
<b>Distributed Energy Resources</b>	<b>\$66,890.64</b>	<b>\$27,129.56</b>	<b>\$2,900.52</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$36,860.56</b>	<b>\$0.00</b>
CHP - RE Storage	\$66,890.64	\$27,129.56	\$2,900.52	\$0.00	\$0.00	\$36,860.56	\$0.00
RE Storage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fuel Cells	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>RE Programs</b>	<b>\$100,000.00</b>	<b>\$56,759.94</b>	<b>\$2,900.52</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$40,339.54</b>	<b>\$0.00</b>
SREC Registration	\$100,000.00	\$56,759.94	\$2,900.52	\$0.00	\$0.00	\$40,339.54	\$0.00
<b>Electric Vehicles</b>	<b>\$15,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Charge Up New Jersey Program	\$5,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Plug In EV Incentive Fund	\$15,000,000.00	\$0.00	\$0.00	\$0.00	\$15,000,000.00	\$0.00	\$0.00

FY 2020 2 <sup>nd</sup> Proposed Budget Reallocation		Cost Category Budgets					
Program/Budget Line	Total Budget	Administration	Sales, Marketing, Website	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing and QA	Evaluation
<b>Total -NJCEP + State Initiatives</b>	<b>\$560,087,029.42</b>	<b>\$37,213,577.28</b>	<b>\$11,721,385.06</b>	<b>\$1,432,465.63</b>	<b>\$487,880,814.00</b>	<b>\$14,308,736.16</b>	<b>\$7,530,051.30</b>
<b>State Energy Initiatives</b>	<b>\$87,089,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$87,089,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total NJCEP</b>	<b>\$472,998,029.42</b>	<b>\$37,213,577.28</b>	<b>\$11,721,385.06</b>	<b>\$1,432,465.63</b>	<b>\$400,791,814.00</b>	<b>\$14,308,736.16</b>	<b>\$7,530,051.30</b>
<b>EE Programs</b>	<b>\$363,806,589.06</b>	<b>\$15,629,982.42</b>	<b>\$1,709,371.14</b>	<b>\$1,407,465.63</b>	<b>\$332,206,495.83</b>	<b>\$12,823,274.04</b>	<b>\$30,000.00</b>
<b>Res EE Programs</b>	<b>\$82,032,721.62</b>	<b>\$5,495,616.65</b>	<b>\$174,027.60</b>	<b>\$447,000.00</b>	<b>\$68,191,845.15</b>	<b>\$7,724,232.22</b>	<b>\$0.00</b>
Residential Retrofit	\$33,228,781.53	\$2,911,710.18	\$87,013.80	\$420,000.00	\$27,133,335.35	\$2,676,722.20	\$0.00
RNC	\$17,448,587.68	\$1,572,191.71	\$43,506.84	\$27,000.00	\$14,871,076.75	\$934,812.38	\$0.00
EE Products	\$31,355,352.41	\$1,011,714.76	\$43,506.96	\$0.00	\$26,187,433.05	\$4,112,697.64	\$0.00
<b>Res Low Income</b>	<b>\$45,500,000.00</b>	<b>\$2,538,158.51</b>	<b>\$1,187,288.10</b>	<b>\$810,465.63</b>	<b>\$39,336,019.66</b>	<b>\$1,598,068.10</b>	<b>\$30,000.00</b>
Comfort Partners	\$45,500,000.00	\$2,538,158.51	\$1,187,288.10	\$810,465.63	\$39,336,019.66	\$1,598,068.10	\$30,000.00
<b>C&amp;I EE Programs</b>	<b>\$176,094,856.64</b>	<b>\$7,596,207.26</b>	<b>\$348,055.44</b>	<b>\$125,000.00</b>	<b>\$164,646,523.46</b>	<b>\$3,379,070.48</b>	<b>\$0.00</b>
C&I Buildings	\$126,627,024.36	\$5,700,995.36	\$261,041.52	\$75,000.00	\$117,879,921.36	\$2,710,066.12	\$0.00
LGEA	\$4,816,733.45	\$907,880.30	\$43,506.96	\$25,000.00	\$3,420,347.81	\$419,998.38	\$0.00
DI	\$44,651,098.83	\$987,331.60	\$43,506.96	\$25,000.00	\$43,346,254.29	\$249,005.98	\$0.00
<b>Multi-family EE</b>	<b>\$3,590,137.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$25,000.00</b>	<b>\$3,443,234.12</b>	<b>\$121,903.24</b>	<b>\$0.00</b>
Multi-family	\$3,590,137.36	\$0.00	\$0.00	\$25,000.00	\$3,443,234.12	\$121,903.24	\$0.00
<b>State Facilities Initiative</b>	<b>\$56,588,873.44</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$56,588,873.44</b>	<b>\$0.00</b>	<b>\$0.00</b>
State Facilities Initiative	\$56,588,873.44	\$0.00	\$0.00	\$0.00	\$56,588,873.44	\$0.00	\$0.00
<b>Distributed Energy Resources</b>	<b>\$30,411,713.29</b>	<b>\$656,189.32</b>	<b>\$43,506.96</b>	<b>\$0.00</b>	<b>\$29,476,649.77</b>	<b>\$235,367.24</b>	<b>\$0.00</b>
CHP - RE Storage	\$21,271,713.29	\$656,189.32	\$43,506.96	\$0.00	\$20,414,084.79	\$157,932.22	\$0.00
RE Storage	\$140,000.00	\$0.00	\$0.00	\$0.00	\$135,000.00	\$5,000.00	\$0.00
Fuel Cells	\$5,000,000.00	\$0.00	\$0.00	\$0.00	\$4,927,564.98	\$72,435.02	\$0.00
Microgrids	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$4,000,000.00	\$0.00	\$0.00
<b>RE Programs</b>	<b>\$8,380,623.05</b>	<b>\$781,398.16</b>	<b>\$43,506.96</b>	<b>\$25,000.00</b>	<b>\$3,000,000.00</b>	<b>\$1,250,094.88</b>	<b>\$3,280,623.05</b>
Offshore Wind	\$3,280,623.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,280,623.05
Community Solar	\$3,000,000.00	\$0.00	\$0.00	\$0.00	\$3,000,000.00	\$0.00	\$0.00
SREC Registration	\$2,100,000.00	\$781,398.16	\$43,506.96	\$25,000.00	\$0.00	\$1,250,094.88	\$0.00
<b>EDA Programs</b>	<b>\$91,007.38</b>	<b>\$91,007.38</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

<b>Planning and Administration</b>	<b>\$19,203,096.65</b>	<b>\$3,555,000.00</b>	<b>\$9,925,000.00</b>	<b>\$0.00</b>	<b>\$1,503,668.40</b>	<b>\$0.00</b>	<b>\$4,219,428.25</b>
<b>BPU Program Administration</b>	<b>\$3,555,000.00</b>	<b>\$3,555,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
BPU Program Administration	\$3,555,000.00	\$3,555,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Marketing</b>	<b>\$4,000,000.00</b>	<b>\$0.00</b>	<b>\$4,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
New Marketing Contract	\$4,000,000.00	\$0.00	\$4,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>CEP Website</b>	<b>\$400,000.00</b>	<b>\$0.00</b>	<b>\$400,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Program Evaluation/Analysis</b>	<b>\$4,219,428.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,219,428.25</b>
Program Evaluation	\$3,969,428.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,969,428.25
Research and Analysis	\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250,000.00
<b>Outreach and Education</b>	<b>\$6,958,668.40</b>	<b>\$0.00</b>	<b>\$5,525,000.00</b>	<b>\$0.00</b>	<b>\$1,433,668.40</b>	<b>\$0.00</b>	<b>\$0.00</b>
Sustainable Jersey	\$742,085.00	\$0.00	\$0.00	\$0.00	\$742,085.00	\$0.00	\$0.00
NJIT Learning Center	\$691,583.40	\$0.00	\$0.00	\$0.00	\$691,583.40	\$0.00	\$0.00
Conference	\$750,000.00	\$0.00	\$750,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Outreach, Website, Other	\$4,775,000.00	\$0.00	\$4,775,000.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sponsorships</b>	<b>\$70,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$70,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Sponsorships	\$70,000.00	\$0.00	\$0.00	\$0.00	\$70,000.00	\$0.00	\$0.00
<b>New Initiatives</b>	<b>\$51,105,000.00</b>	<b>\$16,500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$34,605,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Community Energy Grants</b>	<b>\$1,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Storage</b>	<b>\$4,105,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,105,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Electric Vehicles</b>	<b>\$30,000,000.00</b>	<b>\$5,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$25,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Charge Up New Jersey Program	\$15,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$10,000,000.00	\$0.00	\$0.00
Plug In EV Incentive Fund	\$15,000,000.00	\$0.00	\$0.00	\$0.00	\$15,000,000.00	\$0.00	\$0.00
<b>NJ Wind</b>	<b>\$4,500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>R&amp;D Energy Tech Hub</b>	<b>\$4,500,000.00</b>	<b>\$4,500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Workforce Development</b>	<b>\$2,500,000.00</b>	<b>\$2,500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Curriculum</b>	<b>\$4,500,000.00</b>	<b>\$4,500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

## **PROCESS AND SCHEDULE FOR SUBMITTING COMMENTS**

Staff requests comments on the Proposal prior to presenting it to the Board for consideration. Comments should be submitted to [publiccomments@njcleanenergy.com](mailto:publiccomments@njcleanenergy.com) by 5 p.m. on Tuesday, March 31, 2020 under the subject heading "Request for Comments - Proposed NJCEP Fiscal Year 2020 Second Budget Revisions and Charge Up New Jersey Program."