

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications to the NJCEP Budget

Date: October 22, 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 - EE, RE, EDA, CHP/FC and Administration - provided that the reallocation did 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 and requires Staff to circulate the proposed budget modification(s) for comment prior to implementing the proposed change.

By letter dated October 12, 2015, Honeywell notified Staff that it has experienced a significant increase in the number of SRP registrations it has received and that it is projecting a need for additional funds to meet anticipated applications through the remainder of the fiscal year. In the FY16 budget for the Renewable Energy Incentive Program (REIP) approved by the Board in June, Honeywell estimated that it would process 5,775 SRP registrations in FY16. However, based on current activity levels, Honeywell is now estimating that it will surpass this volume by mid-November.

Honeywell is requesting the transfer of \$1,491,112.72 across budget categories within the REIP, specifically, from the Rebates, Grants and Other Direct Incentives budget category to the Rebate Processing, Inspections and Other Quality Control budget category. The overall REIP budget will remain unchanged. The proposed transfer will provide sufficient funds to process the anticipated volume of SRP registrations. Honeywell has indicated that, as a result of the cancellation of several previous commitments for biomass projects, the proposed decrease to the REIP Rebates, Grants and Other Direct Incentives budget category will have no adverse impacts on the ability to meet anticipated program activities.

The following table shows the budget previously approved by the Board, the proposed amount of the transfer, the resultant budget, and the amount of the proposed transfer as a percentage of the budget category. No other budget modifications have been approved by Staff during this FY.

Description	FY 2016 REIP Budget	Administration, IT and Program Development	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	% of Budget
Current REIP Budget	\$19,864,472.81	\$1,376,206.92	\$17,133,821.93	\$1,354,443.96	
Proposed Transfer	\$0.00	\$0.00	-\$1,491,112.72	\$1,491,112.72	8.70%
Revised REIP Budget	\$19,864,472.81	\$1,376,206.92	\$15,642,709.21	\$2,845,556.68	

Comments regarding the proposed budget modification should be submitted to: publiccomments@njcleanenergy.com by COB October 29, 2015 with the subject heading "Proposed Modifications to the RE Program Budget."