



**Request for Comments  
Proposed NJCEP 3<sup>rd</sup> Revised FY18 Budget**

The Fiscal Year 2018 (FY18) *New Jersey's Clean Energy Program*<sup>™</sup> (NJCEP) Budget was approved through a June 30, 2017 Board Order (Docket No. QO17050465), trued up and revised through an October 20, 2017 Board Order, and revised again by Board Staff on January 17, 2018 (2<sup>nd</sup> Revised FY18 Budget). Board Staff now proposes a third revision to the FY18 Budget, reallocating funds among and within programs (Proposed 3<sup>rd</sup> FY18 Budget Revision), all as described in more detail below.

Board Staff is requesting comments on the Proposals prior to presenting them to the Board for consideration, and the schedule and process for submitting comments is set forth at the end of this Request for Comments.

**Revisions and Rationales**

**1. Residential Energy Efficiency (EE), Commercial and Industrial (C&I) Energy Efficiency, and Distributed Energy Resources**

In FY17, \$5,200,000.00 was accrued against the EEP budget to cover the estimated cost of incentives to be paid to manufacturers and retailers of EEP lighting, but, following discussions among the various parties, the Program was required to pay only \$3,403,974.25, leaving \$1,796,025.75 to be allocated to other programs during FY18.

Further, based on recent trends identified through, among other things, the Program Administrator's monthly and yearly reporting and forecasting of actual commitments and expenditures for the first half of FY18, Board Staff recommends the amounts reflected in the tables below be, as appropriate in each case, deducted or added to the budgets for the respective associated programs to either (a) provide the programs with the additional funding necessary to maintain essentially normal program operations through the end of FY18 or (b) reduce the programs' funding to avoid the programs being left with an unnecessary surplus at the end of FY18. Among the Programs to which Board Staff proposes to provide additional funding are:

a. **Comfort Partners**

The Comfort Partners program helps to provide low income households with energy education, efficiency, and conservation. The \$6,000,000.00 in proposed additional funding would restore the \$6,000,000 originally cut from the program's FY18 budget (as compared to FY17).

b. State Facilities Initiative

The State Facilities Initiative identifies and implements energy efficiency projects in State-owned facilities or State-sponsored projects with the objective of producing energy and cost savings. Board Staff proposes to provide an additional \$3,000,000.00 to this program for new capital projects and energy audits of state facilities.

2. EDA Programs

Since the FY18 Budget was adopted, certain Green Growth Fund commitments were cancelled, resulting in \$1,944,416.48 becoming available to be allocated to other programs.

3. Planning and Administration – NREL Work

As contemplated in the FY18 Office of Clean Energy Compliance Filing, NJBPU's agreement with Rutgers University's Center for Energy, Economic and Environmental Policy terminated in mid-FY18. Accordingly, NJBPU's \$150,000.00 contract with the National Renewable Energy Laboratory (NREL) for certain program evaluation work, the cost of which had been included in the CEEEP budget line, would be reallocated from the "CEEPP" budget line to the "Program Evaluation" budget line.

**Implementing Detailed Budgets**

TRC will be submitting for the Board's review and approval detailed budgets allocating the Proposed 3<sup>rd</sup> Revised Budget among the appropriate cost categories for each of the programs described above.

**Budget Tables**

The following tables show the current FY18 Budget, the Proposed 3<sup>rd</sup> FY18 Budget Revisions, and the resulting Proposed 3<sup>rd</sup> Revised FY18 Budget:

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<b>Proposed 3rd Revised FY18 Budget Modifications</b>			
<i>Program/Budget Line</i>	<i>Current Budget*</i>	<i>Proposed Changes **</i>	<i>3rd Revised NJCEP FY18 Budget</i>
<b>Total NJCEP</b>	<b>\$320,922,470.22</b>	<b>\$1,796,025.75</b>	<b>\$322,718,495.97</b>
<b>EE Programs</b>	<b>\$267,903,481.70</b>	<b>\$7,996,025.75</b>	<b>\$275,899,507.45</b>
<b>Res EE Programs</b>	<b>\$69,642,472.41</b>	<b>(\$3,800,000.00)</b>	<b>\$65,842,472.41</b>
HVAC	\$9,700,000.00	(\$1,200,000.00)	\$8,500,000.00
RNC	\$24,067,472.41	\$200,000.00	\$24,267,472.41
EE Products	\$10,800,000.00	(\$1,800,000.00)	\$9,000,000.00
HPwES	\$25,075,000.00	(\$1,000,000.00)	\$24,075,000.00
<b>Res Low Income</b>	<b>\$24,000,000.00</b>	<b>\$6,000,000.00</b>	<b>\$30,000,000.00</b>
Comfort Partners	\$24,000,000.00	\$6,000,000.00	\$30,000,000.00
<b>C&amp;I EE Programs</b>	<b>\$166,661,009.29</b>	<b>\$2,796,025.75</b>	<b>\$169,457,035.04</b>
C&I NC	\$3,461,932.04	(\$500,000.00)	\$2,961,932.04
C&I EB	\$48,044,237.38	\$1,796,025.75	\$49,840,263.13
P4P NC	\$19,812,655.81	(\$700,000.00)	\$19,112,655.81
P4P EB	\$34,566,790.48	(\$600,000.00)	\$33,966,790.48
LGEA	\$4,683,000.00	\$800,000.00	\$5,483,000.00
DI	\$40,145,462.36	\$3,500,000.00	\$43,645,462.36
LEUP	\$14,800,931.22	(\$1,500,000.00)	\$13,300,931.22
Customer Tailored EE Pilot	\$1,146,000.00		\$1,146,000.00
<b>State Facilities Initiative</b>	<b>\$7,600,000.00</b>	<b>\$3,000,000.00</b>	<b>\$10,600,000.00</b>
State Facilities Initiative	\$7,600,000.00	\$3,000,000.00	\$10,600,000.00
<b>Distributed Energy Resources</b>	<b>\$38,053,844.00</b>	<b>(\$4,000,000.00)</b>	<b>\$34,053,844.00</b>
CHP/Fuel Cell	\$33,872,721.32	(\$4,000,000.00)	\$29,872,721.32
RE Storage	\$2,128,642.68		\$2,128,642.68
Microgrids	\$2,052,480.00		\$2,052,480.00
<b>RE Programs</b>	<b>\$2,600,000.00</b>	<b>(\$300,000.00)</b>	<b>\$2,300,000.00</b>
Offshore Wind	\$100,000.00		\$100,000.00
SREC Registration	\$2,500,000.00	(\$300,000.00)	\$2,200,000.00
<b>EDA Programs</b>	<b>\$3,095,166.34</b>	<b>(\$1,900,000.00)</b>	<b>\$1,195,166.34</b>
CEMF	\$1,068,625.36	\$30,000.00	\$1,098,625.36
GGF	\$2,026,540.98	(\$1,930,000.00)	\$96,540.98
LSCHP Solicitation	\$0.00		\$0.00
<b>Planning and Administration</b>	<b>\$9,269,978.18</b>	<b>\$0.00</b>	<b>\$9,269,978.18</b>
<b>BPU Program Administration</b>	<b>\$3,239,499.37</b>	<b>\$0.00</b>	<b>\$3,239,499.37</b>
BPU Program Administration	\$2,566,652.15		\$2,566,652.15
Program Transition	\$672,847.22		\$672,847.22
<b>Marketing (w/CEP website)</b>	<b>\$900,000.00</b>	<b>\$0.00</b>	<b>\$900,000.00</b>
Interim Marketing	\$900,000.00		\$900,000.00
<b>Program Evaluation/Analysis</b>	<b>\$2,042,921.81</b>	<b>\$0.00</b>	<b>\$2,042,921.81</b>
Program Evaluation	\$1,000,000.00	\$150,000.00	\$1,150,000.00
CEEEP	\$804,027.77	(\$150,000.00)	\$654,027.77
Rutgers LESS	\$238,894.04		\$238,894.04
<b>Outreach and Education</b>	<b>\$3,077,557.00</b>	<b>\$0.00</b>	<b>\$3,077,557.00</b>
Sustainable Jersey	\$675,225.00		\$675,225.00
NJIT Learning Center	\$364,288.00		\$364,288.00
NJCERN	\$38,044.00		\$38,044.00
PA Outreach - Memberships	\$2,000,000.00		\$2,000,000.00
<b>Sponsorships</b>	<b>\$10,000.00</b>	<b>\$0.00</b>	<b>\$10,000.00</b>
Sponsorships	\$10,000.00		\$10,000.00

\* Board approved True Up budget as modified pursuant to Staff authorized budget modification

\*\* Includes \$1,796,025.75 in additional funds due to reimbursement of EEP program expenses

**Process and Schedule for Submitting Comments**

Staff is requesting comments on the Proposals prior to presenting them to the Board. Comments regarding the foregoing should be submitted to [publiccomments@njcleanenergy.com](mailto:publiccomments@njcleanenergy.com) by 5 pm on Monday, February 12, 2018 under the subject heading “Request for Comments - Proposed NJCEP 3<sup>rd</sup> Revised FY18 Budget.”