

Proposed Changes to NJCEP FY14 Budget
December 31, 2013

TRC is proposing a number of changes to the NJCEP C&I EE program budgets. The proposed changes to the budgets are primarily based on higher than anticipated participation levels as discussed in more detail below.

TRC is proposing to increase the budgets for the following programs:

- *C&I Retrofit*: TRC is proposing to transfer \$4 M to the C&I Retrofit program. Monthly commitments and expenditures are averaging higher than historic norms and current expenditures and commitments equal 85% of the FY14 budget.
- *Pay-for-Performance New Construction*: TRC is proposing to transfer \$3 M to the Pay-for-Performance New Construction program. The Pay-for-Performance New Construction program has experienced a higher than anticipated level of participation. Current expenditures and commitments equal 92% of the FY14 budget with projects pending Board approval utilizing the remainder of the FY14 budget.
- *Direct Install*: TRC is proposing to transfer \$3.25 M to the Direct Install program. Monthly commitments and expenditures are averaging higher than historic norms and current expenditures plus commitments equal 79% of the FY14 budget.

TRC is proposing to decrease the budgets for the following programs:

- *Pay-for-Performance*: TRC is proposing to reduce the Pay-for-Performance program budget by \$6 M. TRC anticipates that sufficient funds will remain in the program to meet anticipated program demand through the remainder of the fiscal year. Current expenditures plus commitments equal 60% of the budget and new applications received in late FY14 may not be committed until FY15 due to longer lead times required for approval of large projects.
- *Local Government Energy Audit*: TRC is proposing to reduce the Local Government Energy Audit program budget by \$1 M. TRC anticipates that sufficient funds will remain in the program to meet anticipated program demand through the remainder of the fiscal year. The current participation rate is lower than anticipated and a number of project commitments have cancelled due to inactivity.
- *Large Energy Users Program*: TRC is proposing to reduce the Large Energy Users Program budget by \$2 M. Several projects from previous program years have cancelled and TRC has experienced lower than anticipated participation rates to date. TRC anticipates that sufficient funds will remain in the program to meet anticipated program demand through the remainder of the fiscal year.

Transfer funds from NJCEP Administration

- TRC anticipates that the overall C&I EE budget will be below the level needed to meet anticipated program demands. Therefore, based on discussions with OCE Staff, TRC is proposing to transfer \$1.25 M from the Program Transition budget within the NJCEP Administration budget to the C&I EE budget. Staff has indicated that these funds are no longer anticipated to be required in FY14 due to delays in the award of the Program Administrator contract.

The following table summarizes the proposed changes discussed above:

Proposed Modifications to NJCEP FY14 Budget

C&I EE PROGRAMS	Current FY14 Board Approved Budget	Transfer To	Transfer From	Proposed FY14 Revised Budget
C&I New Construction	\$ 1,812,226.30			\$ 1,812,226.30
C&I Retrofit	\$ 46,293,828.21	\$ 4,000,000.00		\$ 50,293,828.21
Pay-for-Performance New Construction	\$ 7,265,275.46	\$ 3,000,000.00		\$ 10,265,275.46
Pay-for-Performance	\$ 51,952,273.75		\$ (6,000,000.00)	\$ 45,952,273.75
Local Government Energy Audit	\$ 3,345,759.50		\$ (1,000,000.00)	\$ 2,345,759.50
Direct Install	\$ 36,244,603.07	\$ 3,250,000.00		\$ 39,494,603.07
Marketing - Commercial & Industrial EE	\$ 1,075,000.00			\$ 1,075,000.00
Large Energy Users Program	\$ 30,853,781.83		\$ (2,000,000.00)	\$ 28,853,781.83
C&I EE Subtotal:	\$ 178,842,748.12	\$ 10,250,000.00	\$ (9,000,000.00)	\$ 180,092,748.12
NJCEP Administration				
Program Transition	\$ 2,500,000.00		\$ (1,250,000.00)	\$ 1,250,000.00
Total Proposed Transfers		\$ 10,250,000.00	\$(10,250,000.00)	\$ -

Staff is requesting comments on the proposed budget revisions discussed above prior to submitting to the Board for consideration. Comments are due by COB January 7, 2014 and should be submitted to:

publiccomments@njcleanenergy.com

Please reference "Proposed Changes to FY14 NJCEP Budget" in the subject line.