

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications EE Program Budget

Date: March 20, 2014

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 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, 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 letter dated March 14, 2014, Honeywell notified Staff that it has experienced an increase in participation in the Home Performance with Energy Star (HPwES) program and that it is projecting a need for additional funds to meet anticipated participation through the remainder of the fiscal year. The HPwES program currently has expenses and commitments that equal 93% of the budget.

Honeywell requested the transfer of \$3,200,000 to the HPwES program with \$700,000 transferred from the Residential New Construction (RNC) program and \$2,500,000 transferred from the Large Energy Users program (LEUP). Honeywell and TRC indicated that the proposed decreases to the RNC and LEUP programs budget will have no adverse impacts on the ability to meet current and future projected program commitments.

The following table shows the 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. The date of last transfer indicates the date Board Staff last transferred funds to or from the program, if applicable.

Program	2 nd Revised FY 14 Budget	Transfer	Proposed Budget	% of Budget	Date of Last Transfer
Residential New Construction	\$18,910,092.90	(\$700,000.00)	\$18,210,092.90	-3.7%	NA
Home Performance with Energy Star	\$36,862,091.99	\$3,200,000.00	\$40,062,091.99	2.7%	NA
Large Energy Users Program	\$28,853,781.83	(\$2,500,000.00)	\$26,353,781.83	-8.7%	NA
Total	\$84,625,966.72	\$0.00	\$84,625,966.72		

All of the funds in the table above will be transferred to or from the Rebate, Grants and Other Direct Incentives line item of the respective programs.

Honeywell is also requesting two addition budget modifications as follows:

1. Transfer \$147,500.75 to the Training budget category of the HVAC program with \$137,750.00 transferred from the Rebates, Grants and Other Direct Incentives line item of the HVAC program budget and \$9,750.75 transferred from the Rebate Processing, Inspections and Other Quality Control line item. This proposed change will increase the HVAC Training budget category from \$590,003.00 to \$737,503.75. The overall HVAC program budget would remain unchanged. This will allow the Eastern Heating and Cooling Counsel to meet higher demand for training from the contractor community and additional communications related to anticipated HVAC program changes. The remaining funds in the line items from which funds are proposed to be transferred are sufficient to meet anticipated expenses.
2. Transfer \$654,050.00 from the Energy Efficiency Products (EEP) program Rebate Processing, Inspections and Other Quality Control line item to the Administration, IT and Program Development budget category. This will increase the EEP Administration, IT and Program Development budget category from \$1,212,132.84 to \$1,866,182.84. The overall EEP program budget remains unchanged. The proposed change corrects the misallocation of Contract Lines 240 and 241, the on-site inspections of EEP participating retailers from the Rebate Processing, Inspections and Other Quality Control budget category to the Administration, IT and Program Development budget category. The remaining funds in the budget category from which funds are proposed to be transferred out of are sufficient to meet anticipate expenses.

Comments regarding the proposed budget modification should be submitted to:

publiccomments@njcleanenergy.com

by COB March 27, 2014 with the subject heading “Proposed Modifications to the EE Program Budget”