



NJCEP Proposed Fiscal Year 2021 True-Up Budget and Program Changes

March 4, 2021
11:30 am-12:30 pm





- Welcome and Introduction
 - › Meeting Logistics
- Overview of True-Up Budget Process
- Program Changes in Compliance Filings
- Process & Schedule



Meeting Logistics

- Meeting will be recorded.
- Meeting recording and PowerPoint will be available on the website.
- Meeting participants on Mute
- Questions and Comments



Documents for Review

- Proposed FY21 True-Up Budget
- Compliance Filings
 - › DCE
 - › TRC
 - › Comfort Partners
 - › Charge Up NJ



Background

The Fiscal Year 2021 (FY21) New Jersey's Clean Energy Program (NJCEP) budget was:

- Approved through a September 23, 2020 Board Order.
- This was based upon an estimate of expenses and commitments expected to be incurred during Fiscal Year 2020.
- Once actual expenses and commitments are known, the Board typically does a true-up of the differences between the estimated and actual amounts.



Staff Recommendations

- Reallocations based upon program needs and changes in original projections.
- Ensure a smooth transition on energy efficiency administration.
- Program revisions to continue to provide an equitable, transparent, and efficient use of funding.



True-Up Calculations (Derivation of Additional Carryforward)

<i>FY20 Program/Budget Line</i>	<i>FY20 Final Budget 4th Revisions</i>	<i>FY20 Actual Expenses</i>	<i>FY20 Actual Year End Commitments</i>	<i>FY20 Actual Expenses Plus Year End Commitments</i>	<i>FY20 Budget Less Actual Expenses and Commitments</i>
Total - NJCEP + State Initiatives	\$560,087,029	\$335,565,444	\$166,004,759*	\$501,570,204	\$58,516,826
State Energy Initiatives	\$102,328,074	\$93,918,789	\$-	\$93,918,789	\$8,409,285
Total NJCEP	\$457,758,955	\$241,646,655	\$166,004,759	\$407,651,414	\$50,107,541
Energy Efficiency Programs	\$380,237,257	\$210,881,034	\$139,468,037	\$350,349,071	\$29,888,186
Distributed Energy Resources	22,953,909	3,492,531	17,586,331	21,078,862	1,875,047
RE Programs	6,834,010	4,712,441	538,701	5,251,142	1,582,868
EDA Programs	113,236	112,674	-	112,674	563
Planning and Administration	23,570,542	10,727,702	6,428,988	17,156,690	6,413,852
New Initiatives	24,050,000	11,720,274	1,982,701	13,702,975	10,347,025

*FY20 Actual Year End Commitments includes approximately \$34 million for State Facilities Initiative.

<i>FY20 Estimated Uncommitted Carryforward</i>	<i>FY20 Budget Less Actual Expenses and Commitments</i>	<i>Difference Between FY20 Estimated Uncommitted Carryforward and Actuals</i>	<i>Other Revenues (Interest Payments, Application Fees, etc.)</i>	<i>Additional FY20 Carryforward and Other Revenues</i>
\$33,223,445	\$58,516,826	\$25,293,381	\$5,873,594	\$31,166,975





Proposed FY21 True-Up Budget (In \$)

<i>FY21 Program/Budget Line</i>	<i>Initial FY21 Budget</i>	<i>Additional FY20 Carryforward and Other Revenues*</i>	<i>Line Item Transfers</i>	<i>Revised FY21 Budget</i>
Total NJCEP + State Initiatives	509,029,779	31,166,975	0	540,196,754
State Energy Initiatives	100,000,000	15,409,285	0	115,409,285
Total NJCEP	409,029,779	15,757,690	0	424,787,469
Energy Efficiency Programs	302,058,180	7,627,099	1,500,000	311,185,279
Res EE Programs	68,171,319	0	-1,100,000	67,071,319
Residential Retrofit	27,824,379	0	2,500,000	30,324,379
RNC	12,656,413	0	-1,500,000	11,156,413
EE Products	27,690,527	0	-2,100,000	25,590,527
Res Low Income	34,125,100	0	0	34,125,100
Comfort Partners	34,125,100	0	0	34,125,100
C&I EE Programs	173,322,979	7,627,099	2,600,000	183,550,078
C&I Buildings	130,584,866	7,627,099	11,100,000	149,311,965
LGEA	4,231,673	0	-500,000	3,731,673
DI	38,506,440	0	-8,000,000	30,506,440
State Facilities Initiative	24,938,782	0	0	24,938,782
Acoustical Testing Pilot	1,500,000	0	0	1,500,000
Distributed Energy Resources	30,625,265	0	-1,938,956	28,686,309
CHP - FC	24,625,265	0	-1,240,000	23,385,265
Microgrids	6,000,000	0	-698,956	5,301,044
RE Programs	6,262,561	6,093,566	9,278,622	21,634,749
Offshore Wind	4,162,561	6,093,566	9,278,622	19,534,749
Solar Registration	2,100,000	0	0	2,100,000





Proposed FY21 True-Up Budget (Cont.)

EDA Program	130,393	0	0	130,393
Clean Energy Manufacturing Fund	130,393	0	0	130,393
Planning and Administration	29,142,520	0	-1,839,666	27,302,854
<i>BPU Program Administration</i>	3,555,000	0	0	3,555,000
<i>Marketing</i>	7,568,006	0	0	7,568,006
<i>CEP Website</i>	400,000	0	0	400,000
<i>Program Evaluation/Analysis</i>	10,939,450	0	-1,579,666	9,359,784
<i>Outreach and Education</i>	6,567,518	0	-535,000	6,032,518
Sustainable Jersey	988,435	0	0	988,435
NJIT Learning Center	1,029,083	0	0	1,029,083
Conference	750,000	0	0	750,000
Outreach, Website, Other	3,800,000	0	-535,000	3,265,000
<i>Memberships</i>	112,546	0	275,000	387,546
BPU Initiatives	40,810,860	2,037,025	-7,000,000	35,847,885
<i>Community Energy Grants</i>	560,000	0	0	560,000
<i>Storage</i>	7,000,000	0	-7,000,000	0
<i>Electric Vehicle Program</i>	23,000,860	2,037,025	0	25,037,885
Charge Up New Jersey	3,433,739	0	-1,000,000	2,433,739
Plug In EV Incentive Fund	19,567,121	2,037,025	1,000,000	22,604,146
<i>NJ Wind</i>	4,500,000	0	0	4,500,000
<i>R&D Energy Tech Hub</i>	1,250,000	0	0	1,250,000
<i>Workforce Development</i>	4,500,000	0	0	4,500,000



Reallocations and Rationale

Proposed Increases

<u>Program</u>	<u>Reason(s)</u>	<u>Amount in \$</u>
Residential Retrofits	Increased participation	2,500,000
C&I Buildings	General increased participation, especially regarding Enhanced Incentives for prescriptive lighting, which have recently been eliminated. Includes funding for over \$5,100,000 in projects anticipated to be approved in FY20 that were delayed until FY21	18,727,099 (Includes 7,627,099 in Additional FY20 Carryforward)
Offshore Wind	The increased budget will ensure adequate funding is available to support programmatic needs, including the development of OSW component manufacturing location, the development of the New Jersey wind port, and support for transmission analysis.	15,372,188 (Includes 6,093,566 in Additional FY20 Carryforward)
Memberships	Staff recommends reallocating some funds from the "Outreach, Website & Other" (managed by TRC) budget line to the "Membership" budget line to be managed by BPU staff to allow for participation in organizations specific to state entities.	275,000
Plug In EV Incentive Fund	Staff is recommending reallocating funds from Charge Up New Jersey, administrative budget line, to the Plug In EV Incentive Fund budget line. Additionally, some funding was uncommitted in FY20; therefore, such funding is being reallocated to the FY21 EV program budget to ensure continuity over FY20 and FY21.	3,037,025 (Includes 2,037,025 in Additional FY20 Carryforward)





Reallocations and Rationale

Proposed Decreases

<u>Program</u>	<u>Reason(s)</u>	<u>Amount in \$</u>
RNC	Budgets adjusted to reflect updated forecast of participation levels	1,500,000
EEP	Budgets adjusted to reflect updated forecast of participation levels	2,100,000
LGEA	Budgets adjusted to reflect updated forecast of participation levels	500,000
DI	Budgets adjusted to reflect updated forecast of participation levels	8,000,000
CHP-FC	Budgets adjusted to reflect updated forecast of participation levels	1,240,000
Microgrids	Some funding will not be needed and can be reallocated to other programs/initiatives.	698,956
Program Evaluation/Analysis	This funding was anticipated to be utilized in FY21 but will not be spent this year.	1,579,666
Outreach, Website, Other	Budgets adjusted to reflect updated forecast of participation levels	535,000
Storage	This funding was anticipated to be utilized in FY21 but will not be spent this year.	7,000,000
Charge Up New Jersey	Staff is recommending reallocating funds from Charge Up New Jersey, administrative budget line, to the Plug In EV Incentive Fund budget line.	1,000,000



DCE Compliance Filing

- Offshore Wind -
 - › South Jersey Port Corporation: MOU entered into by the Board allocated \$1.8 million to support the development of critical, first-of-their-kind, manufacturing facilities to support New Jersey's growing offshore wind industry.
 - › NJ Wind Port: Planning for possible MOU between EDA and the Board to support development and related expenses for the NJ Wind Port in the amount of \$13.2 million.
- Community Solar - Release of Year 2 of the Pilot Program and target of 150MW.
- Energy Master Plan Rate Impact Study - Examine individual ratepayer impacts involved in achieving NJ's goal of 100% clean energy by 2050.
- Grid Modernization - Staff will engage with contractor to update NJ's interconnection rules to reflect national best practices and better able to meet its clean energy goals.



TRC Compliance Filing

- Large Energy Users Program (LEUP) - Cap on overall total energy savings for lighting to 50%.
- Combined Heat and Power Fuel Cells (CHP-FC) -
 - › Maintain status quo of existing design by redefining FCs with and without heat recovery to efficiency of $\geq 60\%$ FCs versus $\geq 40\%$ FCs.
 - › Add flexibility for reporting requirements due to COVID-19.



Comfort Partners Compliance Filing

- Pilot a location-based automatic eligibility into the program which would:
 - › consist of six neighborhoods and be equitably distributed geographically throughout the state;
 - › seek to address barriers and obstacles of low-income customers; and
 - › aim to increase participation in areas of most need.



Charge Up NJ Compliance Filing

- In order to reflect actions previously taken by the Board, the Charge Up NJ Compliance Filing has been updated to incorporate the following Board Orders:
 - › I/M/O the Electric Vehicle Program Compliance Filing (July 15, 2020) and I/M/O the Electric Vehicle Program Compliance Filing (January 27, 2021): Established exemption criteria under the Charge Up Program due to delays and closures associated with COVID-19.
 - › I/M/O the Electric Vehicle Program Compliance Filing (December 16, 2020) -Modified the start date for Stage Two of the Charge Up Program.



Process & Schedule

Staff requests comments on the Proposal prior to presenting it to the Board for consideration. Comments should be submitted to Board.Secretary@bpu.nj.gov by 5 p.m. on Tuesday, March 9, 2021, under the subject heading “Request for Comments - Proposed NJCEP FY21 True-Up Budget, Budget Revisions and Program Changes.” Any questions may be submitted via email to publiccomments@njcleanenergy.com, with the same subject heading as above.



THANK YOU

