



STATE OF NEW JERSEY
Board of Public Utilities
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CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY) ORDER
PROGRAMS AND BUDGET FOR FISCAL YEAR 2015)
)
FY15 TRUE UP BUDGET) DOCKET NO. QO14050489

Parties of Record:

- Joe Gennello**, Honeywell Utility Solutions
- Diane Zukas**, TRC Energy Services
- Michael Ambrosio**, Applied Energy Group
- Mark Mader**, Jersey Central Power & Light
- Timothy White**, Atlantic City Electric
- Scott Markwood**, Orange & Rockland Utilities
- Bruce Grossman**, South Jersey Gas Company
- Susan Ringhof**, Public Service Electric and Gas Company
- Andrew Dembia**, New Jersey Natural Gas
- Mary Patricia Keefe**, Elizabethtown Gas
- Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities ("Board") at its November 21, 2014 public meeting, where the Board considered revisions to the Fiscal Year 2015 (FY15) programs and budget for New Jersey's Clean Energy Program.¹

BACKGROUND AND PROCEDURAL HISTORY

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. ("EDECA") was signed into law. EDECA established requirements to advance energy efficiency and renewable energy in New Jersey through the societal benefits charge. N.J.S.A. 48:3-60(a)(3). EDECA further empowered the Board to initiate a proceeding and cause to be undertaken a comprehensive resource analysis ("CRA") of energy programs, which is currently

¹ The budgets approved in this Order are subject to State appropriations law.

referred to as the comprehensive energy efficiency ("EE") and renewable energy ("RE") resource analysis. Ibid. After notice, opportunity for public comment, public hearing, and consultation with the New Jersey Department of Environmental Protection, within eight months of initiating the proceeding and every four years thereafter, the Board determines the appropriate level of funding for EE and Class I RE programs that provide environmental benefits above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999. These programs are now called New Jersey's Clean Energy Program (the "NJCEP").

By Order dated June 30, 2014, Docket No. EO11050324V ("the June 30, 2014 CRA Order"), the Board approved a funding level of \$344,665,000 for FY15. In a separate Order also dated June 30, 2014, Docket No. QO14050489, the Board approved FY15 programs and budgets for the NJCEP ("FY15 Budget Order"). By Order dated September 30, 2014, Docket No. QO14050489, the Board approved the FY15 compliance filings of Honeywell International, Inc. ("Honeywell"), who manages the Residential EE and RE programs, TRC Energy Solutions, Inc. ("TRC"), who manages the commercial and industrial ("C&I") EE programs, the Office of Clean Energy (OCE) compliance filing, which includes the programs managed by the OCE and Economic Development Authority (EDA), and the electric and gas utilities (collectively referred to as "the Utilities") compliance filing, for administration of the low-income Comfort Partners program. The compliance filings included program descriptions and detailed budgets for each program.

FY15 Budget True-Up

OCE initially establishes annual budgets based, in part, on estimated expenses for the previous year. Once actual expenses are known, the Board then issues a revised budget Order to "true up" any differences between actual and estimated expenses. The June 30, 2014 FY15 Budget Order included estimated carry-over of unspent funds from previous years, plus new funding of \$344,665,000, as set out in the June 30, 2014 CRA Order.

While some NJCEP programs pay rebates upon installation or at point of purchase of equipment, other programs, such as Residential New Construction ("RNC") and CHP, require completion of construction and before incentive payments are made. As a result, a significant portion of the overall FY15 budget includes funds to pay rebates and other commitments made by the NJCEP in prior years, for programs like RNC and CHP. As of June 30, 2014, the NJCEP had approximately \$119 million in carry-over of unspent funds.

The tables below show the final FY14 Board-approved budget, by program, actual FY14 expenses; actual carry over (which is calculated by deducting actual expenses from the budget); the estimated FY14 carry over that was used to develop initial FY15 budgets; and the difference between the actual and estimated carry over which is referred to as "Additional Carry Over":

FY14 Energy Efficiency Program Budget

		Actual	Actual	Estimated FY14	Difference =
	Final	FY14	FY14	Carryover from	Additional
	FY14 Budget	Expenses	Carry Over	FY15 Budget Order	Carryover
Programs	(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) - (d)
Residential EE Programs					
Residential HVAC - Electric & Gas	\$12,357,692.08	\$12,254,577.02	\$103,115.06	\$825,330.87	(\$722,215.81)
Residential New Construction	\$16,389,083.61	\$7,046,596.57	\$9,342,487.04	\$11,042,630.25	(\$1,700,143.21)
Energy Efficient Products	\$20,033,816.93	\$19,892,048.66	\$141,768.27	(\$1,029,502.61)	\$1,171,270.88
Home Performance with Energy Star	\$41,478,594.09	\$31,922,364.90	\$9,556,229.19	\$7,157,712.39	\$2,398,516.80
Residential Marketing	\$1,309,984.00	\$1,295,362.39	\$14,621.61	\$2,165.39	\$12,456.22
Sub Total Residential	\$91,569,170.71	\$72,410,949.54	\$19,158,221.17	\$17,998,336.29	\$1,159,884.88
Residential Low Income					
Comfort Partners	\$35,102,473.20	\$31,739,536.69	\$3,362,936.51	\$0.00	\$3,362,936.51
C&I EE Programs					
Commercial/Industrial Construction					
C&I New Construction	\$2,692,226.30	\$887,015.31	\$1,805,210.99	\$2,176,426.65	(\$371,215.66)
C&I Retrofit	\$51,739,678.21	\$23,161,939.34	\$28,577,738.87	\$29,469,534.76	(\$891,795.89)
Pay-for-Performance New Construction	\$10,265,275.46	\$1,686,006.88	\$8,579,268.58	\$8,818,138.08	(\$238,869.50)
Pay-for-Performance	\$40,879,563.75	\$12,244,089.00	\$28,635,474.75	\$26,891,851.98	\$1,743,622.77
Local Government Energy Audit	\$3,370,759.50	\$2,585,480.00	\$785,279.50	\$616,980.50	\$168,299.00
Direct Install	\$42,569,603.07	\$26,688,242.65	\$15,881,360.42	\$18,341,994.35	(\$2,460,633.93)
Marketing	\$1,075,000.00	\$1,058,539.26	\$16,460.74	\$0.00	\$16,460.74
Large Energy Users Pilot	\$25,000,641.83	\$5,635,882.94	\$19,364,758.89	\$19,387,103.70	(\$22,344.81)
Sub Total C&I	\$177,592,748.12	\$73,947,195.38	\$103,645,552.74	\$105,702,030.02	(\$2,056,477.28)
Total Energy Efficiency	\$304,264,392.03	\$178,097,681.61	\$126,166,710.42	\$123,700,366.31	\$2,466,344.11

CHP-Fuel Cell Program

CHP-Fuel Cell Program	\$37,964,525.92	\$1,474,906.46	\$36,489,619.46	\$34,508,499.36	\$1,981,120.10
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FY14 Renewable Energy Program Budget

		Actual	Actual	Estimated FY14	Difference =
	Final	FY14	FY14	Carryover from	Additional
	FY14 Budget	Expenses	Carry Over	FY15 Budget Order	Carryover
Existing Programs	(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) - (d)
Offshore Wind	\$350,800.70	\$100,367.29	\$250,433.41	\$250,433.41	\$0.00
Renewable Energy Program: Grid Connected (Formerly REDI)	\$256,320.00	\$52,600.00	\$203,720.00	\$244,640.00	(\$40,920.00)
Renewable Energy Incentive Program	\$19,487,818.30	\$4,040,922.55	\$15,446,895.75	\$13,386,240.68	\$2,060,655.07
Edison Innovation Clean Energy Fund (formerly CST)	\$216,198.42	\$0.00	\$216,198.42	\$169,875.15	\$46,323.27
SUB-TOTAL Renewables	\$20,311,137.42	\$4,193,889.84	\$16,117,247.58	\$14,051,189.24	\$2,066,058.34

FY14 EDA Program Budget

		Actual	Actual	Estimated FY14	Difference =
EDA PROGRAMS	Final	FY14	FY14	Carryover from	Additional
	FY14 Budget	Expenses	Carry Over	FY15 Budget Order	Carryover
	(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) - (d)
Clean Energy Manufacturing Fund	\$9,268,556.05	\$384,220.38	\$8,884,335.67	\$6,096,643.49	\$2,787,692.18
Edison Innovation Green Growth Fund	\$5,696,319.29	\$2,658,910.34	\$3,037,408.95	\$2,753,900.77	\$283,508.18
Large CHP Solicitation	\$16,402,510.01	\$2,480,885.34	\$13,921,624.67	\$13,720,053.99	\$201,570.68
SUB-TOTAL EDA Programs	\$31,367,385.35	\$5,524,016.06	\$25,843,369.29	\$22,570,598.25	\$3,272,771.04

FY14 OCE Oversight Budget

	Final	Actual	Actual	Estimated FY14	Difference =
	FY14 Budget	FY14	FY14	Carryover from	Additional
		Expenses	Carry Over	FY15 Budget Order	Carryover
	(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) - (d)
Administration and Overhead					
OCE Staff and Overhead	\$3,042,926.54	\$2,075,629.66	\$967,296.88	\$0.00	\$967,296.88
Program Coordinator	\$1,896,603.58	\$1,890,610.00	\$5,993.58	\$0.00	\$5,993.58
Sub-Total: Administration and Overhead	\$4,939,530.12	\$3,966,239.66	\$973,290.46	\$0.00	\$973,290.46
Memberships-Dues					
FY14 Sponsorships	\$100,000.00	\$83,179.38	\$16,820.62	\$0.00	\$16,820.62
Sub-Total: Memberships-Dues	\$100,000.00	\$83,179.38	\$16,820.62	\$0.00	\$16,820.62
Evaluation and Related Research					
Rutgers-CEEP	\$1,884,236.87	\$603,009.52	\$1,281,227.35	\$684,236.87	\$596,990.48
Funding Reconciliation	\$52,545.00	\$0.00	\$52,545.00	\$52,545.00	\$0.00
Program Evaluation	\$2,000,000.00	\$17,365.90	\$1,982,634.10	\$2,000,000.00	(\$17,365.90)
Sub-Total: Evaluation and Related Research	\$3,936,781.87	\$620,375.42	\$3,316,406.45	\$2,736,781.87	\$579,624.58
Miscellaneous					
Outreach and Education/Community Partner Grants	\$62,562.78	\$0.00	\$62,562.78	\$0.00	\$62,562.78
Clean Energy Business Web Site	\$60,000.00	\$0.00	\$60,000.00	\$0.00	\$60,000.00
Sustainable Jersey	\$1,001,357.94	\$806,775.65	\$194,582.29	\$250,000.00	(\$55,417.71)
DCA RE Firefighter Training	\$35,000.00	\$35,000.00	\$0.00	\$0.00	\$0.00
Program Transition	\$1,250,000.00	\$0.00	\$1,250,000.00	\$1,250,000.00	\$0.00
Sub-Total: Miscellaneous	\$2,408,920.72	\$841,775.65	\$1,567,145.07	\$1,500,000.00	\$67,145.07
TOTAL: NJCEP Administration	\$11,385,232.71	\$5,511,570.11	\$5,873,662.60	\$4,236,781.87	\$1,636,880.73
True Grant	\$12,793,600.21	\$7,419,100.21	\$5,374,500.00	\$3,500,000.00	\$1,874,500.00

*Note: Actual Expenditures for the True Grant reflects FY14 disbursement of \$3 M and a change from reporting AHA reported expenses to reporting actual disbursements from the NJCEP Trust Fund to AHA.

The following table summarizes, by budget category, the Additional Carry Over calculated in the tables above:

FY14 Additional Carry Over

	Final FY14 Budget	Actual FY14 Expenses	Actual FY14 Carry Over	Estimated Carry Over from FY15 Budget Order	Difference = Additional Carry Over
	(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) - (d)
Energy Efficiency Programs	\$304,264,392.03	\$178,097,681.61	\$126,166,710.42	\$123,700,366.31	\$2,466,344.11
CHP-Fuel Cells	\$37,964,525.92	\$1,474,906.46	\$36,489,619.46	\$34,508,499.36	\$1,981,120.10
Renewable Energy Programs	\$20,311,137.42	\$4,193,889.84	\$16,117,247.58	\$14,051,189.24	\$2,066,058.34
EDA Programs	\$31,367,385.35	\$5,524,016.06	\$25,843,369.29	\$22,570,598.25	\$3,272,771.04
NJCEP Administration	\$11,385,232.71	\$5,511,570.11	\$5,873,662.60	\$4,236,781.87	\$1,636,880.73
TRUE Grant	\$12,793,600.21	\$7,419,100.21	\$5,374,500.00	\$3,500,000.00	\$1,874,500.00
FY14 Supplemental Lapse	\$0.00	\$49,100,000.00	(\$49,100,000.00)	(\$49,100,000.00)	\$0.00
Total	\$418,086,273.64	\$251,321,164.29	\$166,765,109.35	\$153,467,435.03	\$13,297,674.32

The Additional Carry Over shown in the table above is equal to \$13,297,674.32. These funds are added to the trued up FY15 NJCEP budget.

Additional FY15 Funding

The FY15 budget approved by the Board in June, 2014 included estimated EDA program revenues of \$1,182,380.59 from interest payments and repayment of loans or grants. Actual EDA revenues were \$1,139,633 which is \$42,747.59 less than the estimated revenues used to develop the FY15 budgets. Thus, the EDA budget was decreased by this amount to reflect the lower level of revenues.

Legislative Action

In its FY15 Budget Order, the Board budgeted \$49,100,000 for transfer to the General Fund in FY15, an amount announced by the Office of Budget and Management (“OMB”) in February 2014 and reflected in the Governor’s FY15 Budget. However, subsequent to the issuance of the Board’s FY15 Budget Order, under the FY14 Supplemental Appropriations Act, P.L. 2014 c.12, the Legislature appropriated \$77,100,000 from the Clean Energy Trust Fund for transfer to the General Fund, which is \$28,000,000 more than what the Board had anticipated and budgeted. Therefore, the FY15 budget must be reduced by \$28,000,000 to reflect the additional FY14 appropriation.

In addition, in its June 2014 FY15 Budget Order, the Board had anticipated and budgeted \$68,289,000 for State energy costs and to fund other State initiatives that support the development of clean energy. However, subsequent to the issuance of the FY15 Budget Order, under the FY15 Appropriations Act, P.L. 2014 c.14, the legislature appropriated from the Clean Energy Trust Fund \$98,289,000. Therefore, the FY15 budget must be reduced by \$30,000,000 to reflect the additional FY15 appropriation and by \$58,000,000 in total to reflect both the additional FY14 supplemental appropriation and the FY15 appropriation.

The funds calculated above as “Additional Carry Over” are available to add to the FY15 budget and partially offset the budget reductions required to address the appropriations discussed above.

Funding Reconciliation

One of the key objectives of switching the NJCEP budget from a calendar year to a fiscal year was to align the budget process with the State’s financial reporting system. FY14 represents the first year of alignment, which enabled a reconciliation of the NJCEP budget with total funding available to the program on a fiscal year basis. The NJCEP budget includes an adjustment (reduction) of \$5,400,495.24 resulting from this reconciliation.

Revisions to FY14 Budget

Working with the Market Managers and the Program Coordinator, OCE Staff developed proposed revisions to the FY15 NJCEP budget that reflect the factors discussed above. Staff reviewed current program spending and activity levels, and considered other factors such as trends in spending, energy savings, actual spending through the first quarter of FY15, and the current level of commitments. Based on projections of program activity provided by the program managers, the proposed budgets are sufficient to maintain all programs and incentive levels through the remainder of the fiscal year.

In response to Superstorm Sandy, the Christie Administration recently announced the launch of the New Jersey Energy Resilience Bank (“ERB”), the first publicly-funded resilience bank, intended to increase the State’s resiliency and minimize the impact of future major power outages. Utilizing \$200 million in federal funds issued to New Jersey through the Community Development Block Grant, the ERB will support the development of distributed energy resources at critical facilities throughout the State, to enable them to remain operational during future outages.

The initial NJCEP FY15 budget included \$30 million to be used to supplement the ERB Block Grant for EE projects with resiliency capacity. However, as the federal Block Grant funds have an expiration date and must be expended within two years of the execution of the grant agreement, the trueed up FY15 reflects a reduction of the \$30 million ERB allocation to \$1.25 million, to be used for energy audits and project design in ERB EE projects with resiliency capacity.

The following tables show the proposed budget revisions in total and on a program-by-program basis for the EE, RE, EDA and NJCEP Administration budget categories, which incorporate the modifications discussed above. These proposals and modifications were circulated for public comment as discussed below.

Revised FY15 Funding Levels

	FY15 Budget From 6/30/14 Board Order	Additional Carryover	Additional Funding	Funding Adjustments	Revised FY15 Budget	Committed Expenses as of 6/30/14	Revised FY15 Budget Less Commitments
	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(f)	(g)=(e)-(f)
Energy Efficiency Programs	\$306,966,366.31	\$2,466,344.11		(\$10,114,775.23)	\$299,317,935.19	\$95,187,313.75	\$204,130,621.44
CHP-Fuel Cells *	\$40,358,499.36	\$1,981,120.10		(\$17,888,557.28)	\$24,451,062.18	\$6,050,795.10	\$18,400,267.08
Renewable Energy Programs	\$18,651,189.24	\$2,066,058.34		(\$2,481,101.06)	\$18,236,146.52	\$7,768,467.24	\$10,467,679.28
EDA Programs	\$24,252,978.84	\$3,272,771.04	(\$42,747.59)	(\$2,787,692.18)	\$24,695,310.11	\$8,106,179.38	\$16,589,130.73
NJCEP Administration	\$10,796,781.87	\$1,636,880.73		(\$1,369,581.80)	\$11,064,080.80	\$0.00	\$11,064,080.80
TRUE Grant	\$0.00	\$1,874,500.00			\$1,874,500.00	\$1,874,500.00	\$0.00
Funding Reconciliation Adjustment				\$5,391,707.55			
Total NJCEP	\$401,025,815.62	\$13,297,674.32	(\$42,747.59)	(\$29,280,000.00)	\$379,639,034.80	\$118,987,255.47	\$260,651,779.33
Offset to State Spending	\$68,289,000.00			\$30,000,000.00	\$98,289,000.00		
Energy Resilience Bank	\$30,000,000.00			(\$28,750,000.00)	\$1,250,000.00		
Additional FY14 Lapse	\$0.00			\$28,000,000.00	\$28,000,000.00		
Total	\$499,314,815.62			(\$0.00)	\$507,178,034.80		

Revised FY15 Energy Efficiency and CHP-FC Program Budget

Programs	Board Approved FY15 Budget	Additional Carry Over	Line Item Transfers/Funding Adjustments	Revised FY15 Budget	Committed Expenses as of 6/30/14
	(a)	(b)	(c)	(d)=(a)+(b)+(c)	(e)
Residential EE Programs					
Residential HVAC - Electric & Gas	\$14,918,261.75	(\$722,215.81)	(\$530,576.52)	\$13,665,469.42	
Residential New Construction	\$19,945,445.33	(\$1,700,143.21)	\$1,030,595.17	\$19,275,897.29	\$7,788,141.40
Energy Efficient Products	\$20,101,711.09	\$1,171,270.88	(\$1,804,042.85)	\$19,468,939.09	
Home Performance with Energy Star	\$43,222,934.12	\$2,398,516.80	(\$2,256,975.76)	\$43,364,475.16	\$8,805,425.01
Residential Marketing	\$1,309,984.00	\$12,456.22	(\$12,456.22)	\$1,309,984.00	
Sub Total Residential	\$99,498,336.29	\$1,159,884.88	(\$3,573,466.21)	\$97,084,764.96	\$16,593,566.41
Residential Low Income					
Comfort Partners	\$35,000,000.00	\$3,362,936.51	(\$3,362,936.51)	\$35,000,000.00	\$0.00
C&I EE Programs					
C&I New Construction	\$3,776,426.65	(\$371,215.66)		\$3,405,210.99	\$1,575,864.69
C&I Retrofit	\$53,360,534.76	(\$891,795.89)	\$3,000,000.00	\$55,468,738.87	\$27,434,236.05
Pay-for-Performance New Construction	\$13,818,138.08	(\$238,869.50)		\$13,579,268.58	\$7,153,125.90
Pay-for-Performance	\$36,091,851.98	\$1,743,622.77	(\$6,743,622.77)	\$31,091,851.98	\$20,344,379.75
Local Government Energy Audit	\$2,416,980.50	\$168,299.00	(\$168,299.00)	\$2,416,980.50	\$561,092.50
Direct Install	\$43,341,994.35	(\$2,460,633.93)	\$2,000,000.00	\$42,881,360.42	\$13,633,307.92
Marketing	\$1,075,000.00	\$16,460.74	(\$16,460.74)	\$1,075,000.00	\$0.00
Large Energy Users Program	\$18,587,103.70	(\$22,344.81)	(\$1,250,000.00)	\$17,314,758.89	\$7,891,740.53
Sub Total C&I	\$172,468,030.02	(\$2,056,477.28)	(\$3,178,382.51)	\$167,233,170.23	\$78,593,747.34
Total Energy Efficiency	\$306,966,366.31	\$2,466,344.11	(\$10,114,775.23)	\$299,317,935.19	\$95,187,313.75
CHP-Fuel Cell Program					
CHP-Fuel Cell Program	\$40,358,499.36	\$1,981,120.10	(\$17,888,557.28)	\$24,451,062.18	\$6,050,795.10

Revised FY15 Renewable Energy Program Budget

	Board Approved FY15 Budget	Additional Carry Over	Line Item Transfers/Funding Adjustments	Revised FY15 Budget	Committed Expenses as of 6/30/14
Programs	(a)	(b)	(c)	(d)=(a)+(b)+(c)	(e)
Offshore Wind	\$450,433.41	\$0.00		\$450,433.41	\$0.00
Renewable Energy Program: Grid Connected (Formerly RED)	\$244,640.00	(\$40,920.00)		\$203,720.00	\$203,720.00
Renewable Energy Incentive Program	\$17,786,240.68	\$2,060,655.07	(\$2,324,649.88)	\$17,522,245.87	\$7,505,000.00
Edison Innovation Clean Energy Fund (formerly CST)	\$169,875.15	\$46,323.27	(\$156,451.18)	\$59,747.24	\$59,747.24
SUB-TOTAL Renewables	\$18,651,189.24	\$2,066,058.34	(\$2,481,101.06)	\$18,236,146.52	\$7,768,467.24

Revised FY15 EDA Program Budget

	Board Approved FY15 Budget	Additional Carry Over	Additional Funding	Line Item Transfers/Funding Adjustments	Revised FY15 Budget	Committed Expenses as of 6/30/14
Programs	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(f)
EDA PROGRAMS						
Clean Energy Manufacturing Fund	\$8,579,024.08	\$2,787,692.18	(\$42,747.59)	(\$2,787,692.18)	\$8,536,276.49	\$2,687,219.38
Edison Innovation Green Growth Fund	\$4,953,900.77	\$283,508.18		\$0.00	\$5,237,408.95	\$270,000.00
Large CHP Solicitation	\$10,720,053.99	\$201,570.68		\$0.00	\$10,921,624.67	\$5,148,960.00
Total EDA Programs	\$24,252,978.84	\$3,272,771.04	(\$42,747.59)	(\$2,787,692.18)	\$24,695,310.11	\$8,106,179.38

Revised FY15 NJCEP Administration Budget

	Board Approved FY15 Budget	Additional Carry Over	Line Item Transfers/Funding Adjustments	Revised FY15 Budget
	(a)	(b)	(c)	(d)=(a)+(b)+(c)
Administration and Overhead				
OCE Staff and Overhead	\$2,350,000.00	\$967,296.88	(\$967,296.88)	\$2,350,000.00
Program Coordinator	\$2,200,000.00	\$5,993.58	(\$5,993.58)	\$2,200,000.00
Sub-Total: Administration and Overhead	\$4,550,000.00	\$973,290.46	(\$973,290.46)	\$4,550,000.00
Memberships-Dues				
FY14 Sponsorships	\$200,000.00	\$16,820.62	(\$16,820.62)	\$200,000.00
Sub-Total: Memberships-Dues	\$200,000.00	\$16,820.62	(\$16,820.62)	\$200,000.00
Evaluation and Related Research				
Rutgers-CEEEP	\$1,843,236.87	\$596,990.48	(\$300,000.00)	\$2,140,227.35
Funding Reconciliation	\$52,545.00	\$0.00		\$52,545.00
Program Evaluation	\$3,341,000.00	(\$17,365.90)		\$3,323,634.10
Sub-Total: Evaluation and Related Research	\$5,236,781.87	\$579,624.58	(\$300,000.00)	\$5,516,406.45
Miscellaneous				
Outreach and Education/Community Partner Grants	\$0.00	\$62,562.78	(\$62,562.78)	\$0.00
Clean Energy Business Web Site	\$60,000.00	\$60,000.00		\$120,000.00
Sustainable Jersey	\$750,000.00	(\$55,417.71)	(\$16,907.94)	\$677,674.35
DCA RE Firefighter Training	\$0.00	\$0.00		\$0.00
Program Transition	\$0.00	\$0.00		\$0.00
Sub-Total: Miscellaneous	\$810,000.00	\$67,145.07	(\$79,470.72)	\$797,674.35
TOTAL: NJCEP Administration	\$10,796,781.87	\$1,636,880.73	(\$1,369,581.80)	\$11,064,080.80
True Grant	\$0.00	\$1,874,500.00	\$0.00	\$1,874,500.00

Program Changes

TRC has proposed the addition of a new prescriptive rebate for LED tubes. All LED linear lamps (tubes) must be listed on the current Design Lights Consortium ("DLC") or ENERGY STAR® qualified products list to be considered for incentives. These lamps are intended to replace existing fluorescent technology resulting in significant energy savings and reduced maintenance costs to the customer.

Currently, LED linear lamps, as qualified by DLC, are evaluated for incentives through the NJCEP custom measures path. Once three or more projects have been approved through the custom measure path, the Market Manager will typically review and when appropriate, generate a prescriptive incentive recommendation.

On September 25, 2014, a notice to add LED linear lamps as a prescriptive measure to the C&I Retrofit and C&I New Construction Programs was circulated for public comment. As a result of that process, additional information was presented to OCE Staff which demonstrated that the cost for these lamps has dropped significantly since TRC presented its proposal.

As per the September 2014 notice, TRC initially recommended a prescriptive rebate of \$5/lamp for 2' LED linear lamps and \$10/lamp for 4' LED linear lamps. However, based on updated cost information, TRC is now proposing a prescriptive rebate of \$5/lamp for both the 2' and the 4' LED linear lamps.

Summary of Comments from Public Stakeholders

On or about November 17, 2014 Staff posted on the NJCEP web site and circulated to the EE and RE Committees the proposed changes to the NJCEP programs and budget discussed above. In addition, the proposed changes were discussed at the October 14 and November 13, 2014 meetings of the EE and RE Committees held in Trenton and Iselin, NJ.

Written comments were received from Bloom Energy Corporation ("Bloom Energy") and the New Jersey Large Energy Users Coalition ("NJLEUC").

The following summarizes the written comments received:

Comment: Bloom Energy stated its disappointment with the proposal to reduce the CHP-Fuel Cell program budget from \$40.4 to \$24.5 million. Bloom Energy supported the original FY15 CHP-Fuel Cell budget and believes that the proposal to reduce the budget is sending the wrong signal at the wrong time to the market and will reverberate through the project development and investor communities, causing developers and their customers to hesitate before proceeding with projects, potentially causing them to focus on other markets instead.

Bloom Energy stated that it relied on the FY15 budget Order in representing to potential customers the State's commitment to promoting distributed generation and indicates that it has seen a significant increase in customer demand in recent months. Bloom believes that a low number of applications is not necessarily a reflection of the amount of activity in the market, nor is it a forward indicator of FY15 projects and that the success of the program is dependent on the confidence customers and developers have in the stability of the regulatory process. Bloom Energy recommends that the Board maintain the previously approved FY15 budget of \$40.4 million for the CHP-Fuel Cell program.

Response: Staff recognizes that CHP-Fuel Cell projects have long lead times and the value of regulatory and funding stability and Staff continues to support the development of an active CHP-Fuel Cell market. However, at mid-mark of the NJCEP fiscal year, the CHP-FC program budget needs to reflect reasonable expectations of project activity for the remainder of FY15.

As of July 1, 2014, the CHP-Fuel Cell program had \$6.05 million in rebate commitments. As of December 1, 2014 the level of commitments has increased to \$8.4 million, i.e., through the first five months of the program year only \$2.4 million in incentives have been approved. The proposed budget of \$24.5 million retains an uncommitted balance of over \$16 million, which is more funding than the combined total of what has been submitted to the CHP-FC program in the past two years. It should also be noted that since the commencement of the stand-alone CHP-Fuel Cell program in 2012, no project has been denied incentives due to a lack of funding.

Furthermore, the Board, and/or Staff (per its limited authority delegated by the Board), has and will continue to shift funds from programs that are under-performing to programs that demonstrate the need for additional funding to remain operational. Staff anticipates that this practice will continue in FY15. Therefore, unless the NJCEP, in total, is short of funding, Staff supports shifting funds from underperforming programs to the CHP-Fuel Cell program, as the demand for incentives increases.

Based on the above, Staff recommends that the revised CHP-Fuel Cell budget remain as proposed.

Comment: NJ Large Energy Users Coalition took no position regarding the specific proposed budget revisions but addressed a broader concern, i.e. the NJCEP funding level that has resulted in the ongoing appropriation of NJCEP funds. NJLEUC asserts that the NJCEP has been chronically and significantly over-funded.

NJLEUC asserted that the diversion of NJCEP funds from their intended purpose to the State budget is of significant concern to NJLEUC members and ratepayers generally, as it transforms the Societal Benefits Charge (SBC) into a stealth tax. This is of particular concern to large energy users, as the SBC is a usage-based surcharge that falls heaviest on large businesses.

NJLEUC acknowledged the Board's efforts to mitigate the impact of the SBC on large energy users, including adoption of the Large Energy Users program and the SBC Credit program. However, NJLEUC stated that the issues related to the chronic over-budgeting of the NJCEP are far more serious and have significant, long-term cost implications for all ratepayers.

The NJLEUC's concerns regarding the size of the SBC and over-funding the NJCEP are not new. It cited the 2011 Report of the Clean Energy Funding Work Group, issued as part of the State Energy Master Plan process, which addressed this issue and made several recommendations aimed at remedying it, that include:

“The Work Group recommends that efforts be made to improve the budgeting process to reduce annual surpluses because a more accurate budgeting process will provide the opportunity to reduce the SBC. Only the money needed to fund the NJCEP programs should be collected through the SBC, rather than funding the programs together with budgeted, but unspent surplus funds. The Work Group recommends that NJCEP budgets be based on realistic analysis of the actual funding requirements of programs in the following year, rather than funding projections, to avoid budget surpluses...Finally, to the extent that any funds are not spent or committed as of the end of the Reporting Year, the surplus should not be rolled over into the NJCEP budget for the subsequent year, but rather should be used to offset future payments from ratepayers...”

NJLEUC urged the Board to address the root cause of the appropriation of NJCEP funds at a time when the SBC surcharge equals or exceeds utility distribution rates. NJLEUC recommended that:

1. The budgeting and fiscal administration of the NJCEP be improved. The budget process should begin with a realistic assessment of the funds necessary to support specific programs that are first found to be meritorious and cost effective, and the SBC surcharge should be based on this realistic assessment.
2. Energy efficiency and renewable energy program evaluations should be improved both before and after programs are implemented, and subject to viable market research, cost-benefit analysis, and a standard of review similar to the standards for consideration of utility RGGI section 13 filings.

Response: Staff concurs with both of NJLEUC's recommendations.

The FY15 budget process followed many of NJLEUC's recommendations. Specifically, the FY15 NJCEP is based upon a realistic assessment of the funds needed to support the programs. The OCE commenced the budgeting process by reviewing FY14 spending and commitments and trends in program spending. For example, in FY14 the NJCEP had expenditures of approximately \$202 million and commitments of \$119 million, requiring a budget of \$331 million. The proposed FY15 budget for the NJCEP and ERB totals approximately \$380 million, which allows an increase in spending/commitments of about 15%.

Several programs are currently exceeding FY14 levels. TRC has indicated that the C&I Retrofit program, the NJCEP program with the largest budget, is experiencing activity levels approximately 22% higher than FY14 levels for the same period. As well, participation in the Home Performance with Energy Star and Direct Install programs has grown year over year for the past several years. Staff anticipates that these trends will continue in FY15. Furthermore, Staff notes that NJCEP commitments have increased from \$119 million as of July 1 (year) to over \$144 million as of December 1 (year). Staff is confident that the proposed NJCEP budget represents a realistic estimate of what will be spent and/or committed in FY15.

The FY15 NJCEP budget includes \$98.289 million for legislatively mandated activities that were established prior to the commencement of the fiscal year. While these funds do not represent unspent funds from previous years, the Board is required to include funding for this legislative mandate in the FY15 NJCEP budget.

Staff also concurs with NJLEUC's recommendation for the need for improved evaluations and has implemented the following steps:

- On behalf of the NJCEP, CEEEP engaged a firm to perform a Benchmarking Study to compare the NJCEP to peer programs and determine best practices and assess ways to improve program performance.
- CEEEP has also issued an RFP to conduct a Process Evaluation, and the OCE anticipates that the results will be available in the 2nd quarter of 2015. Based in part on input from participating customers and contractors, the Process Evaluation will assess ways to improve program delivery.
- Staff has also developed an RFP for a Baseline Study, to be released in early 2015. The Baseline Study is a foundational study that will inventory the age and performance

of the equipment installed in homes and businesses in the State, in order to assess market potential and to redesign programs to increase the cost effectiveness and energy savings of NJCEP program.

- As per the FY14 Evaluations work group led by CEEEP, a draft Evaluation Plan lays out a cycle of ongoing evaluations to reverse a trend which led to the criticism that the NJCEP lacked sufficient evaluation.

STAFF RECOMMENDATIONS

To develop the proposed revised FY15 NJCEP budget, Staff reviewed current program spending and activity levels and considered other factors such as trends in spending, energy savings, FY14 spending levels, actual spending through the first quarter of FY15, and the current level of commitments. Staff has reviewed and considered the comments received from stakeholders regarding the proposed NJCEP budget, and recommends approval of the budget set out in the tables above, with the modification explained below.

As discussed above, Staff reconciled the FY15 NJCEP budget with the total funding available. The spreadsheet that was circulated for comment showed a total NJCEP budget of \$379,639,034.80 and an Energy Resilience Bank budget of \$1,250,000 which total \$380,889,034.80. However, the table in the spreadsheet that was circulated for comment labelled “Reconcile Budget with Available Funds” shows that the budget cannot exceed \$380,880,247.11, i.e., the proposed budget exceeded the available funds by \$8,787.69.

To correct this calculational error, Staff proposes to reduce the OCE Staff and Overhead budget by \$8,787.69 to \$2,341,212.31 which increases the “Total Funding Adjustments” of \$5,391,707.55 by \$8,787.69 to \$5,400,495.24. The two tables below show the revised FY15 funding level and OCE Staff and Overhead budget that reflect this correction:

Revised FY15 Funding Levels

	FY15 Budget From 6/30/14 Board Order	Additional Carryover	Additional Funding	Funding Adjustments	Revised FY15 Budget	Committed Expenses as of 6/30/14	Revised FY15 Budget Less Commitments
	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(f)	(g)=(e)-(f)
Energy Efficiency Programs	\$306,966,366.31	\$2,466,344.11		(\$10,114,775.23)	\$299,317,935.19	\$95,187,313.75	\$204,130,621.44
CHP-Fuel Cells *	\$40,358,499.36	\$1,981,120.10		(\$17,898,557.26)	\$24,451,062.18	\$6,050,795.10	\$18,400,267.08
Renewable Energy Programs	\$18,651,189.24	\$2,066,058.34		(\$2,481,101.06)	\$18,236,146.52	\$7,768,467.24	\$10,467,679.28
EDA Programs	\$24,252,978.84	\$3,272,771.04		(\$42,747.59)	\$24,695,310.11	\$8,106,179.38	\$16,589,130.73
NJCEP Administration	\$10,796,781.87	\$1,636,880.73		(\$1,378,369.49)	\$11,055,293.11	\$0.00	\$11,055,293.11
TRUE Grant	\$0.00	\$1,874,500.00			\$1,874,500.00	\$1,874,500.00	\$0.00
Total NJCEP	\$401,025,815.62	\$13,297,674.32		(\$42,747.59)	\$379,630,247.11	\$118,987,255.47	\$260,642,991.64
Offset to State Spending	\$68,289,000.00			\$30,000,000.00	\$98,289,000.00		
Energy Resilience Bank	\$30,000,000.00			(\$28,750,000.00)	\$1,250,000.00		
Additional FY14 Lapse	\$0.00			\$28,000,000.00	\$28,000,000.00		
Total	\$499,314,815.62			(\$5,400,495.24)	\$507,169,247.11		

Revised FY15 NJCEP Administration Budget

	Board Approved FY15 Budget	Additional Carry Over	Line Item Transfers/Funding Adjustments	Revised FY15 Budget
	(a)	(b)	(c)	(d)=(a)+(b)+(c)
Administration and Overhead				
OCE Staff and Overhead	\$2,350,000.00	\$967,296.88	(\$976,084.57)	\$2,341,212.31
Program Coordinator	\$2,200,000.00	\$5,993.58	(\$5,993.58)	\$2,200,000.00
Sub-Total: Administration and Overhead	\$4,550,000.00	\$973,290.46	(\$982,078.15)	\$4,541,212.31
Memberships-Dues				
FY14 Sponsorships	\$200,000.00	\$16,820.62	(\$16,820.62)	\$200,000.00
Sub-Total: Memberships-Dues	\$200,000.00	\$16,820.62	(\$16,820.62)	\$200,000.00
Evaluation and Related Research				
Rutgers-CEEEP	\$1,843,236.87	\$596,990.48	(\$300,000.00)	\$2,140,227.35
Funding Reconciliation	\$52,545.00	\$0.00		\$52,545.00
Program Evaluation	\$3,341,000.00	(\$17,365.90)		\$3,323,634.10
Sub-Total: Evaluation and Related Research	\$5,236,781.87	\$579,624.58	(\$300,000.00)	\$5,516,406.45
Miscellaneous				
Outreach and Education/Community Partner Grants	\$0.00	\$62,562.78	(\$62,562.78)	\$0.00
Clean Energy Business Web Site	\$60,000.00	\$60,000.00		\$120,000.00
Sustainable Jersey	\$750,000.00	(\$55,417.71)	(\$16,907.94)	\$677,674.35
DCA RE Firefighter Training	\$0.00	\$0.00		\$0.00
Program Transition	\$0.00	\$0.00		\$0.00
Sub-Total: Miscellaneous	\$810,000.00	\$67,145.07	(\$79,470.72)	\$797,674.35
TOTAL: NJCEP Administration	\$10,796,781.87	\$1,636,880.73	(\$1,378,369.49)	\$11,055,293.11

The budgets for the EE, RE, CHP, EDA and True Grant programs remain unchanged from those circulated for comment and shown in the tables on pages 6 and 7 above.

In addition to the overall budgets shown above, the compliance filings include detailed budgets that break down the overall program budgets into budget categories such as administration, rebates, grants and other direct incentives, and training; etc. The following tables show the revised detailed budgets submitted by the program managers to reflect the tried up program budgets recommended by Staff:

Honeywell Programs

FY 2015 Residential Efficiency Programs Revised Detailed Budget

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$13,665,469.42	\$1,306,764.00	\$0.00	\$755,203.84	\$10,185,420.00	\$1,418,081.58	\$0.00	\$0.00
Residential New Construction	\$19,275,897.29	\$1,249,392.00	\$0.00	\$0.00	\$17,426,820.00	\$599,685.29	\$0.00	\$0.00
Energy Efficient Products	\$19,468,939.09	\$2,001,756.59	\$0.00	\$0.00	\$17,021,300.00	\$445,882.50	\$0.00	\$0.00
Home Performance with Energy Star	\$43,364,475.16	\$1,044,421.08	\$0.00	\$0.00	\$40,420,768.07	\$1,899,286.01	\$0.00	\$0.00
Marketing	\$1,309,984.00	\$0.00	\$1,309,984.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total Residential Programs	\$97,084,764.96	\$5,602,333.67	\$1,309,984.00	\$755,203.84	\$85,054,308.07	\$4,362,935.38	\$0.00	\$0.00

FY 2015 Renewable Energy Programs Revised Detailed Budget

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
REIP	\$17,522,245.87	\$1,376,206.92	\$0.00	\$0.00	\$13,741,185.93	\$2,404,853.02	\$0.00	\$0.00
Marketing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total RE Programs	\$17,522,245.87	\$1,376,206.92	\$0.00	\$0.00	\$13,741,185.93	\$2,404,853.02	\$0.00	\$0.00

TRC Programs

	Total Proposed FY 2016 Budget	Admin. and Program Development	Sales, Marketing, Call Centers, Web Site	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other Quality Control	Performance Incentives	Evaluation & Related Research
COMMERCIAL & INDUSTRIAL EE PROGRAMS								
C&I New Construction	\$ 3,405,210.99	\$ 237,454.00	\$ -	\$ 393,591.00	\$ 2,650,521.75	\$ 123,644.24	\$ -	\$ -
C&I Retrofit	\$ 55,468,738.87	\$ 747,550.80	\$ -	\$ 425,078.28	\$ 49,875,194.19	\$ 4,420,915.60	\$ -	\$ -
Pay for Performance New Construction	\$ 13,579,288.58	\$ 149,600.00	\$ -	\$ 399,860.08	\$ 12,864,808.50	\$ 165,000.00	\$ -	\$ -
Pay for Performance	\$ 31,091,851.98	\$ 579,800.00	\$ -	\$ 547,334.64	\$ 29,327,737.42	\$ 636,979.92	\$ -	\$ -
Local Government Energy Audit	\$ 2,416,980.50	\$ 220,000.00	\$ -	\$ -	\$ 1,380,320.50	\$ 816,660.00	\$ -	\$ -
Direct Install	\$ 42,881,360.42	\$ 501,551.80	\$ -	\$ 10,000.00	\$ 41,939,640.42	\$ 430,168.20	\$ -	\$ -
Marketing	\$ 1,075,000.00	\$ -	\$ 1,075,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Large Energy Users Program	\$ 17,314,758.89	\$ 147,916.00	\$ -	\$ -	\$ 16,948,782.69	\$ 218,060.20	\$ -	\$ -
Subtotal C&I EE Programs	\$167,233,170.23	\$ 2,583,872.60	\$ 1,075,000.00	\$1,775,864.00	\$154,987,005.47	\$ 6,811,428.16	\$ -	\$ 0.00
COMMERCIAL & INDUSTRIAL CHP PROGRAM								
CHP and Fuel Cell	\$ 24,451,062.18	\$ 65,000.00	\$ -	\$ -	\$ 24,192,873.47	\$ 193,188.71	\$ -	\$ -
Subtotal CHP Program	\$ 24,451,062.18	\$ 65,000.00	\$ -	\$ -	\$ 24,192,873.47	\$ 193,188.71	\$ -	\$ -
TOTAL C&I PROGRAM	\$191,684,232.41	\$ 2,648,872.60	\$ 1,075,000.00	\$1,775,864.00	\$179,179,878.94	\$ 7,004,616.87	\$ -	\$ -

OCE Staff/EDA Programs

Renewable Energy Programs	Total	Administration and Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
Offshore Wind Solicitation	\$450,433.41						\$450,433.41
Renewable Energy Program: Grid Connected	\$203,720.00				\$203,720.00		
Edison Innovation Clean Energy Fund (formerly CST)	\$59,124.57				\$59,124.57		
TOTAL Renewables	\$713,277.98	\$0.00	\$0.00	\$0.00	\$262,844.57	\$0.00	\$450,433.41

EDA Detailed FY15 Budget

EDA Programs	Total	Administration and Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control
Edison Innovation Clean Energy Manufacturing Fund	\$8,536,276.49	\$207,863.08			\$8,328,413.41	
Edison Innovation Green Growth Fund	\$5,237,408.95	\$207,863.08			\$5,029,545.87	
Large CHP Solicitation	\$10,921,624.67	\$207,863.08			\$10,713,761.59	
TOTAL EDA Programs	\$24,695,310.11	\$623,589.24	\$0.00	\$0.00	\$24,071,720.87	\$0.00

OCE Detailed FY15 NJCEP Administration Budget

	Total	Administration and Program Development	Sales, Call Centers, Marketing and Website	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections, and Other Quality Control	Evaluation and Related Research
Administration and Overhead							
OCE Staff and Overhead	\$2,341,212.31	\$2,341,212.31					
Program Coordinator	\$2,200,000.00	\$687,802.88	\$599,128.32			\$857,068.80	\$55,000.00
Sub-Total: OCE Administration and Overhead	\$4,541,212.31	\$3,029,015.19	\$599,128.32	\$0.00	\$0.00	\$857,068.80	\$55,000.00
Memberships-Dues							
2012 Sponsorships	\$200,000.00				\$200,000.00		
Sub-Total: Memberships-Dues	\$200,000.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00
Evaluation and Related Research							
Rutgers-CEEEP	\$2,140,227.35						\$2,140,227.35
Funding Reconciliation	\$52,545.00						\$52,545.00
Program Evaluation	\$3,323,634.10						\$3,323,634.10
Sub-Total: Evaluation and Related Research	\$5,616,406.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,616,406.45
Marketing and Communications							
Clean Energy Business Web Site	\$120,000.00		\$120,000.00				
Sustainable Jersey	\$677,674.35				\$677,674.35		
Sub-Total: Marketing and Communications	\$797,674.35	\$0.00	\$120,000.00	\$0.00	\$677,674.35	\$0.00	\$0.00
TOTAL: Administration	\$11,055,293.11	\$3,029,015.19	\$719,128.32	\$0.00	\$877,674.35	\$857,068.80	\$5,572,406.45

The detailed budget for the utility managed Comfort Partners program remains unchanged. Staff recommends approval of the revised budgets and detailed budgets set out above.

Staff has reviewed TRC's proposal to add a new prescriptive rebate for certain LED lamps, as well as the comments received, the majority of which supported the addition of a new prescriptive rebate for LED linear lamps. In addition to generating considerable energy savings, LED lighting technologies accrue maintenance savings, due to the extended life of the technology. New LED technologies are being introduced to the marketplace at a rapid pace, and Staff supports TRC's efforts to make new lamps and fixtures eligible for rebates as the technologies are certified by DLC and/or Energy Star. Based on the above, Staff recommends that the Board approve TRC's proposal to offer a \$5 rebate for eligible 2' and 4' LED linear lamps.

DISCUSSION AND FINDINGS

The OCE coordinated with the Market Managers, the NJCEP Program Coordinator and other stakeholders to develop proposed modifications to the FY15 NJCEP budget and programs. On or about November 17, 2014, OCE Staff circulated the proposed changes to the budget and programs for public comment. The proposed changes were discussed at the October 14 and November 13, 2014 meetings of the EE and RE Committees, and written comments were received by December 1, 2014 and considered by Staff in its proposed budget and programs recommendations. Accordingly, the Board **FINDS** that the process utilized in developing the proposed revisions to the NJCEP FY15 budget and programs was appropriate and provided stakeholders and interested members of the public with a meaningful opportunity to comment.

The Board has reviewed the changes to the NJCEP budget as proposed by Staff and the written comments received. Overall, the changes proposed by Staff represent a reasonable approach to maintaining the NJCEP programs through the remainder of the fiscal year while meeting the mandates of the FY15 Appropriations Act and the FY14 Supplemental Appropriations Act. Importantly, the proposed budget maintains consistency in programs and incentives levels through the remainder of the fiscal year.

Based on the above, the Board **HEREBY FINDS** that the revised budgets are reasonable. Therefore, the Board **HEREBY APPROVES** the revised FY15 NJCEP budget and the revised FY15 detailed budgets recommended by Staff. The budget for the utilities-run Comfort Partners program as approved by the Board in its FY15 Budget Order remains unchanged.

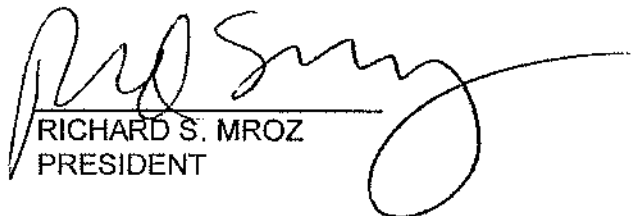
LED lamps represent a rapidly emerging technology that has the potential to significantly reduce the amount of energy used for lighting the State's homes and commercial buildings. The NJCEP currently offers incentives for numerous LED measures, and TRC's proposal will add two new types of lamps to the list of prescriptive incentives.

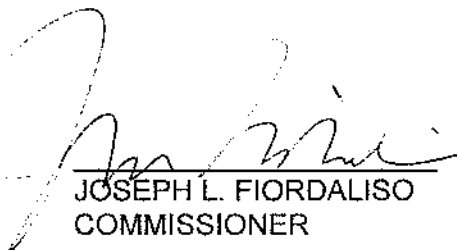
The Board has reviewed the changes to the program proposed by TRC and the written comments received. The changes proposed by TRC and recommended by Staff for approval will expand the list of LED measures eligible for incentives to include two new measures. These measures will assist the State in meeting the energy savings goals set out in the State Energy Master plan and will help customers reduce energy usage and maintenance costs. Based on the above, the Board **HEREBY APPROVES** TRC's proposal to offer an incentive of \$5 per lamp for both 2' and 4' LED linear lamps, provided that all other program requirements are met.

The Board **HEREBY AUTHORIZES** the program managers to implement the budget and program changes set out in the filings as soon as practicable and upon proper notice. If there is any conflict between a compliance filing or related program document and a Board Order, the terms of this Board Order shall govern.

DATED: 12/17/14

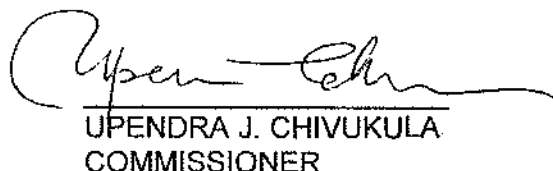
BOARD OF PUBLIC UTILITIES
By:



RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

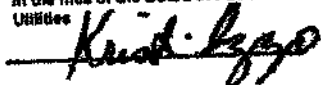

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE CLEAN ENERGY PROGRAM AND
BUDGET FOR FISCAL YEAR 2015 – FY15 TRUE UP BUDGET
DOCKET NO. QO14050489

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