



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

CLEAN ENERGY

IN THE MATTER OF THE CLEAN ENERGY)
PROGRAMS AND BUDGET FOR FISCAL YEAR 2015 –) ORDER
SECOND REVISED FISCAL YEAR 2015 BUDGET)
) DOCKET NO. QO14050489

Parties of Record:

- Maurice Kaiser**, Honeywell Utility Solutions
- Diane M. 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, Inc.
- Bruce Grossman**, South Jersey Gas Company
- Susan Ringhof**, Public Service Electric and Gas Company
- Tracey Thayer**, New Jersey Natural Gas Company
- Mary Patricia Keefe**, Elizabethtown Gas
- Stefanie A. Brand, Esq.**, Director, New Jersey Rate Counsel

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities ("Board") at its April 15, 2015 public meeting, where the Board considered proposed modifications to the fiscal year 2015 ("FY15") budget for New Jersey's Clean Energy Program ("NJCEP").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

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

undertaken a comprehensive resource analysis (“CRA”) of energy programs, which is currently 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 (“DEP”), 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. QO14050489, (the “June 30th Order”), the Board approved NJCEP FY15 budgets and deferred a decision regarding FY15 program changes until a future agenda meeting. By Order dated September 30, 2014, Docket No. QO14050489, the Board approved the compliance filings submitted by Honeywell, TRC, the Office of Clean Energy (OCE) and the Utilities. The compliance filings include a description of the programs and incentive levels as well as detailed program budgets. By Order dated December 17, 2014 the Board approved modifications to the FY15 NJCEP budget to reflect a true up of actual and estimated FY14 expenses and commitments. By email dated March 4, 2015, TRC submitted proposed modifications to its FY15 budget for several commercial and industrial (C&I) programs described more fully below and which are addressed herein.

PROPOSED BUDGET MODIFICATIONS

TRC stated that it continues to see increased participation in several NJCEP Commercial & Industrial (C&I) programs. As a result, TRC projected the need for additional funds in order to meet the anticipated volume of applications through the remainder of the fiscal year.

TRC proposed the transfer of \$5,000,000 to the Direct Install program, \$2,000,000 to the C&I Retrofit program and \$500,000 to the Pay-for-Performance - Existing Buildings program. After consultation with Staff of the Board’s OCE, TRC proposed that \$5,000,000 be transferred from the Combined Heat & Power – Fuel Cell program, \$1,500,000 from the Large Energy Users program and \$1,000,000 from the Pay for Performance New Construction program. The additional funds would be allocated to the Rebates, Grants and other Direct Incentives component of the respective program budgets.

The following table shows the current Board approved FY15 budget, the proposed amount of the transfer and the proposed revised budget:

C&I EE Programs

Program	Approved FY 15 Budget	Transfer	Proposed Budget
C&I Retrofit	\$ 60,058,738.87	\$ 2,000,000.00	\$ 62,058,738.87
Direct Install	\$ 42,881,360.42	\$ 5,000,000.00	\$ 47,881,360.42
Large Energy Users Program	\$ 15,624,758.89	\$ (1,500,000.00)	\$ 14,124,758.89
Pay for Performance NC	\$ 13,579,268.58	\$ (1,000,000.00)	\$ 12,579,268.58
Pay for Performance EB	\$ 28,191,851.98	\$ 500,000.00	\$ 28,691,851.98
Total	\$ 160,335,978.74	\$ 5,000,000.00	\$ 165,335,978.74

CHP-Fuels Cells

CHP-Fuel Cell large and small	\$ 24,451,062.18	\$ (5,000,000.00)	\$ 19,451,062.18
-------------------------------	------------------	-------------------	------------------

The table below shows current expenses and commitments as a percentage of the current budget and as a percentage the proposed revised budget. Through February 28, 2015, which is 8 months into the FY budget, TRC has expended or committed 90% of the C&I Retrofit program budget, 87% of the Direct Install program budget, and 91% of the Pay-for-Performance Existing Buildings program budget. Based on current program participation levels, TRC projects that additional funds are required in order for these programs to remain open to new applicants through the end of the FY. TRC projects that sufficient funds remain in each of the program budgets from which it is proposing to transfer funds from for the program to remain open to all new applicants through the remainder of the FY.

Expenses and Commitments as a % of Budget

Program	Approved FY 15 Budget	Total Expenses + Commitments through 2/28/15	% of Budget Spent + Committed	Proposed Budget	% of Budget Spent and committed
C&I Retrofit	\$ 60,058,738.87	\$ 54,215,393.27	90%	\$ 62,058,738.87	87%
Direct Install	\$ 42,881,360.42	\$ 37,490,741.19	87%	\$ 47,881,360.42	78%
Large Energy Users Program	\$ 15,624,758.89	\$ 12,773,622.27	82%	\$ 14,124,758.89	90%
Pay for Performance NC	\$ 13,579,268.58	\$ 10,569,708.78	78%	\$ 12,579,268.58	84%
Pay for Performance EB	\$ 28,191,851.98	\$ 25,723,195.02	91%	\$ 28,691,851.98	90%
Total	\$ 160,335,978.74	\$140,772,660.53		\$ 165,335,978.74	

CHP-Fuels Cells

CHP-Fuel Cell large and small	\$ 24,451,062.18	\$ 8,874,766.02	36%	\$ 19,451,062.18	46%
-------------------------------	------------------	-----------------	-----	------------------	-----

On March 19, 2015, OCE Staff provided the public with notice of and the opportunity to comment on the proposed budget modifications. On that day, the proposed changes were circulated to the Energy Efficiency and ("EE") and Renewable Energy ("RE") Committee listservs and posted on the NJCEP website, with comments due by close of business on March 25, 2015. The proposed changes were also discussed at the March 10, 2015 meeting of the EE Committee. The following summarizes the comments received on the proposed budget modifications.

SUMMARY OF COMMENTS FROM PUBLIC STAKEHOLDERS

Written comments were submitted by Orange Mountain Energy (OME). OME stated that the NJCEP is a fantastic program that should continue as it is an economic catalyst for our state. The program is invaluable in forcing the hand of investing in capital improvements that makes its business more efficient, more competitive and stronger.

STAFF RECOMMENDATIONS

Over the past several years Staff has attempted to better align program budgets with realistic projections of the level of funds that can be expended or committed in a fiscal year. The intent is to minimize the funds collected from ratepayers and the resultant rate impacts.

Program participation levels are a function of several factors such as the state of the economy, and weather. Staff has encouraged the practice of transferring funds from programs that are under-performing to programs with higher than anticipated participation levels, which maximizes spending of SBC funds to promote the development of energy efficiency and renewable energy. Staff has reviewed TRC's proposal as well as the comments submitted. Staff agrees with the comment and believes that TRC's proposal will allow core programs to remain open to new applicants through the remainder of the FY without negatively impacting the programs from which funds are being transferred. Based on the above, Staff recommends approval of the budget revisions discussed above.

TRC's compliance filing includes detailed budgets that break down the overall program budgets into various budget categories such as Administration and Rebates, Grants and Other Direct Incentives. TRC has submitted revised detailed budgets consistent with the proposed budget modification and which are shown below:

2nd Revised FY15 C&I Energy Efficiency & CHP/Fuel Cell Program Budget

	Total Proposed FY 2015 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
C&I 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	\$ 62,058,738.87	\$ 747,550.80	\$ -	\$ 425,078.28	\$ 56,465,194.19	\$ 4,420,915.60
Pay for Performance New Construct	\$ 12,579,268.58	\$ 149,600.00	\$ -	\$ 399,860.08	\$ 11,864,808.50	\$ 165,000.00
Pay for Performance	\$ 28,691,851.98	\$ 579,800.00	\$ -	\$ 547,334.64	\$ 26,927,737.42	\$ 636,979.92
Local Government Energy Audit	\$ 2,416,980.50	\$ 220,000.00	\$ -	\$ -	\$ 1,380,320.50	\$ 816,660.00
Direct Install	\$ 47,881,360.42	\$ 501,551.80	\$ -	\$ 10,000.00	\$ 46,939,640.42	\$ 430,168.20
Marketing	\$ 1,075,000.00	\$ -	\$ 1,075,000.00	\$ -	\$ -	\$ -
Large Energy Users Program	\$ 14,124,758.89	\$ 147,916.00	\$ -	\$ -	\$ 13,758,782.69	\$ 218,060.20
Subtotal C&I EE Programs	\$172,233,170.23	\$ 2,583,872.60	\$ 1,075,000.00	\$1,775,864.00	\$159,987,005.47	\$ 6,811,428.16
CHP-Fuel Cell Program						
CHP and Fuel Cell	\$ 19,451,062.18	\$ 65,000.00	\$ -	\$ -	\$ 19,192,873.47	\$ 193,188.71

Staff has reviewed the revised detailed budgets and notes that the additional funds are all allocated to the Rebates, Grants and Other Direct Incentives budget category. Staff recommends approval of these modifications based on its belief that the revised detailed budgets are reasonable and advance the goals of NJCEP.

DISCUSSION AND FINDINGS

Consistent with the approved contracts with the Market Managers and the Program Coordinator, the OCE has coordinated with the Market Managers and the Program Coordinator regarding the proposed changes to the NJCEP FY15 budgets discussed above. The OCE, in conjunction with these contractors, discussed the proposed changes at the March public meeting of the EE and RE committees to receive comments and input. The proposed changes were circulated to the EE and RE committee listservs and posted on the NJCEP web site and written comments were accepted from the public. Accordingly, the Board **HEREBY FINDS** that the process utilized in developing the proposed changes to the NJCEP FY15 budget was appropriate and provided stakeholders and interested members of the public the opportunity to comment.

The Board has reviewed the proposed changes discussed above and **HEREBY FINDS** that the changes will benefit customers, are consistent with the EMP goal of reducing energy usage and associated emissions and support the objectives of the NJCEP program. Therefore, the Board **HEREBY APPROVES** the revised budgets for the C&I EE programs and the CHP-Fuel Cell program shown in the tables above.

This Order will be effective on April 25, 2015.

DATED: 4/15/15

BOARD OF PUBLIC UTILITIES
By:



RICHARD S. MROZ
PRESIDENT




JOSEPH L. FIORDALISO
COMMISSIONER



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



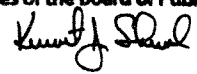
UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



KENNETH J. SHEEHAN
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 PROGRAMS AND BUDGET FOR FISCAL
YEAR 2015 – SECOND REVISED FISCAL YEAR 2015 BUDGET - DOCKET NO. QO14050489

SERVICE LIST

Maurice Kaiser
Honeywell Utility Solutions
145 Route 46 West
Wayne, NJ 07470

Diane M. Zukas
TRC Energy Solutions
900 Route 9 North, Suite 404
Woodbridge, NJ 07095

Michael Ambrosio
Applied Energy Group
317 George Street, Suite 305
New Brunswick, NJ 08901

Bruce Grossman
Program Manager, Residential EE
South Jersey Gas Company
1 South Jersey Plaza
Folsom, NJ 08037

Samuel Valora
Program Manager, C&I Energy Efficiency
South Jersey Gas Company
1 South Jersey Plaza
Folsom, NJ 08037

Kenneth Maloney
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Alexander Stern
Assistant General Reg. Counsel
Public Service Electric and Gas Company
T5, Post Office Box 570
Newark, NJ 07101

Scott Carter
AGL Resources
Ten Peachtree Place
Atlanta, GA 30309

Anthony Pugliese
Elizabethtown Gas
148 Edison Road
Stewartsville, NJ 08886

Mary Patricia Keefe
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Thomas Kaufmann
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Steve Swetz
Director, Corporate Rates & Revenue
Requirements
Public Service Electric and Gas Company
T5, PO Box 570
Newark, NJ 07101

Stefanie A. Brand, Esq., Director
New Jersey Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Debbie Franco
Elizabethtown Gas
300 Connell Drive, Suite 3000
Berkeley Heights, NJ 07922

Mark Mader
Rates and Regulatory Affairs
Jersey Central Power and Light Company
300 Madison Avenue, PO Box 1911
Morristown, NJ 07962-1911

Wayne Barndt
Manager Regulatory Strategy & Policy
Pepco Holdings
New Castle Regional Office
Mailstop 79NC59, PO Box 9239
Newark, DE 19714

Tracey Thayer
Director, Regulatory Affairs Counsel
New Jersey Natural Gas Company
1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

Anne Marie Peracchio
Director, Conservation & Clean Energy Policy
New Jersey Natural Gas Company
1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

Carolyn McIntosh, Esq.
Deputy Attorney General
Division of Law
Department of Law and Public Safety
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Rachel Boylan
Legal Specialist
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Allison E. Mitchell
Administrative Analyst, Office of Clean Energy
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Sherri Jones, Office of Clean Energy
State of NJ Board of Public Utilities
44 South Clinton Avenue, 7th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Mr. Timothy White
Manager Policy Coordination
Pepco Holdings
New Castle Regional Office
Mailstop 79NC59 , PO Box 9239
Newark, DE 19714

Scott Markwood
Administrator
Orange & Rockland Utilities, Inc.
Customer Energy Services
390 West Route 59
Spring Valley, NY 10977

Marisa Slaten, Esq.
Assistant Director, Office of Clean Energy
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Holly Thompson
Orange & Rockland Utilities, Inc.
Customer Energy Services
390 West Route 59
Spring Valley, NY 10977

Elizabeth Ackerman
Acting Director, Office of Clean Energy
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Benjamin S. Hunter
Renewable Energy Program Admin., OCE
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Kenneth J. Sheehan
Board Secretary
State of NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350