



NJCEP Proposed Fiscal Year 2022 True-Up Budget, Revised Budget and Program Changes

January 21, 2022
1:00 pm





- Welcome and Introduction
 - › Meeting Logistics
- Overview of True-Up Budget Process
- Changes in Compliance Filings and Other Documents
- 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 FY22 True-Up Budget
- Compliance Filings
 - › DCE
 - › TRC
 - › Comfort Partners
 - › Charge Up NJ
- DPMC Designated Project List



Background

The Fiscal Year 2022 (“FY22”) New Jersey’s Clean Energy Program (“NJCEP”) budget was:

- Approved through a June 24, 2021 Board Order.
- This was based upon an estimate of expenses and commitments expected to be incurred during Fiscal Year 2021.
- 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.
- Continue to ensure a smooth transition on energy efficiency administration.
- Program revisions to continue to provide an equitable, transparent, and efficient use of funding.
- Maintain progress towards the State's clean energy goals.



True-Up Calculations (Derivation of Additional Carryforward) (In \$)

<i>FY21 Program/Budget Line</i>	<i>FY21 Final Budget</i>	<i>FY21 Actual Expenses</i>	<i>FY21 Actual Year End Commitments</i>	<i>FY21 Actual Expenses plus Year End Commitments</i>	<i>FY21 Budget Less Actual Expenses and Commitments</i>
<i>Total - NJCEP + State Initiatives</i>	540,196,754	294,153,430	237,303,087	532,584,036	7,612,719
State Energy Initiatives	115,409,285	115,281,211	-	115,281,211	128,074
Total NJCEP	424,787,469	178,872,219	237,303,087	417,302,825	7,484,645
Energy Efficiency Programs	311,185,279	135,409,053	181,273,685	317,810,256	(6,624,977)*
Distributed Energy Resources	28,686,309	5,977,956	16,480,330	22,458,286	6,228,023
RE Programs	21,634,749	2,180,831	17,429,346	19,610,177	2,024,572
EDA Programs	130,393	66,254	-	66,254	64,139
Planning and Administration	27,302,854	11,886,270	10,118,695	22,004,966	5,297,888
BPU Initiatives	35,847,885	23,351,854	12,001,031	35,352,885	495,000

*This number represents an accounting adjustment that was previously made to reflect the actual year end commitments for the State Facilities Initiative. There is sufficient funding budgeted in FY22 to cover these commitments.

<i>FY21 Estimated Uncommitted Carryforward</i>	<i>FY21 Budget Less Actual Expenses and Commitments</i>	<i>Difference Between FY21 Estimated Uncommitted Carryforward and Actuals</i>	<i>Other Revenues (Interest Payments, Application Fees, etc.)</i>	<i>Additional FY21 Carryforward and Other Revenues</i>
7,404,846	7,612,719	207,873	391,524	559,396

**Numbers presented in the above two tables may not add up precisely to totals provided due to rounding.





Proposed FY22 True-Up Budget (In \$)

<i>FY22 Program/Budget Line</i>	<i>Initial FY22 Budget</i>	<i>Additional FY21 Carryforward and Other Revenue*</i>	<i>Line Item Transfers</i>	<i>Revised FY22 Budget</i>
Total NJCEP + State Initiatives	586,106,880	599,396	-	586,706,276
State Energy Initiatives	87,100,000	-	-	87,100,000
Total NJCEP	499,006,880	599,396	-	499,606,276
Energy Efficiency Programs	311,225,053	-	(2,400,000)	308,825,053
Res EE Programs	31,786,739	-	(400,000)	31,386,739
Residential Retrofit	17,898,503	-	(2,000,000)	15,898,503
RNC	12,726,165	-	1,500,000	14,226,165
EE Products	1,162,071	-	100,000	1,262,071
Res Low Income	45,930,000	-	-	45,930,000
Comfort Partners	45,930,000	-	-	45,930,000
C&I EE Programs	147,934,372	-	(2,000,000)	145,934,372
C&I Buildings	130,234,969	-	(6,000,000)	124,234,969
LGEA	5,075,411	-	-	5,075,411
DI	12,623,992	-	4,000,000	16,623,992
Energy Efficiency Transition	23,340,494	-	-	23,340,494
State Facilities Initiative	57,733,448	-	-	57,733,448
Acoustical Testing Pilot	4,500,000	-	-	4,500,000
Distributed Energy Resources	24,635,545	-	-	24,635,545
CHP - FC	20,635,545	-	-	20,635,545
Microgrids	4,000,000	-	-	4,000,000
RE Programs	29,384,270	-	(100,000)	29,284,270
Offshore Wind	26,715,262	-	(100,000)	26,615,262
Solar Registration	2,669,008	-	-	2,669,008





Proposed FY21 True-Up Budget (Cont.)

EDA Programs	15,359,085	-	-	15,359,085
<i>Clean Energy Manufacturing Fund</i>	109,085	-	-	109,085
<i>NJ Wind</i>	11,500,000	-	-	11,500,000
<i>R&D Energy Tech Hub</i>	3,750,000	-	-	3,750,000
Planning and Administration	45,510,870	599,396	2,500,000	48,610,266
<i>BPU Program Administration</i>	5,185,000	-	-	5,185,000
<i>Marketing</i>	13,601,927	-	-	13,601,927
<i>CEP Website</i>	400,000	-	-	400,000
<i>Program Evaluation/Analysis</i>	19,724,922	599,396	2,400,000	22,724,318
<i>Outreach and Education</i>	6,210,000	-	100,000	6,310,000
Sustainable Jersey	1,000,000	-	75,000	1,075,000
NJIT Learning Center	750,000	-	-	750,000
Conference	700,000	-	-	700,000
Outreach, Website, Other	3,760,000	-	25,000	3,785,000
Memberships	389,021	-	-	389,021
BPU Initiatives	72,892,057	-	-	72,892,057
<i>Community Energy Grants</i>	1,000,000	-	-	1,000,000
<i>Storage</i>	20,000,000	-	-	20,000,000
<i>Electric Vehicle Program</i>	47,392,057	-	-	47,392,057
Plug In EV Incentive Fund	33,388,171	-	-	33,388,171
CUNJ Administrative Fund	3,503,886	-	-	3,503,886
CUNJ Residential Charger Incentive	3,000,000	-	-	3,000,000
EV Grid Assessment (EDA)	500,000	-	-	500,000
State Vehicle Fleet	6,000,000	-	-	6,000,000
Municipal Clean Fleet	1,000,000	-	-	1,000,000
Workforce Development	4,500,000	-	-	4,500,000





Reallocations and Rationale

- Proposed Increases

<u>Program</u>	<u>Reason(s)</u>	<u>Amount in \$</u>
RNC	Budget adjusted to reflect updated forecast of participation levels	1,500,000
EE Products	Budget adjusted to reflect updated forecast to cover additional applications prior to the closure of the program	100,000
DI	Budget adjusted to reflect updated forecast of existing commitments	4,000,000
Program Evaluation/Analysis	The increased budget will ensure adequate funding is available to the NJCEP to continue to support the development and implementation of the goals established in the Energy Master Plan	2,999,396 (Includes 599,396 in Additional FY21 Carryforward)
Sustainable Jersey	Provide technical assistance to municipalities across the state on community energy planning grants	75,000
Outreach, Website, Other	Additional outreach initiatives	25,000



Reallocations and Rationale

- Proposed Decreases

<u>Program</u>	<u>Reason(s)</u>	<u>Amount in \$</u>
Residential Retrofit	Budget adjusted to reflect updated forecast of participation levels	2,000,000
C&I Buildings	Budget adjusted to reflect updated forecast of participation levels	6,000,000
Offshore Wind	This funding was anticipated to be utilized in FY22 but will not be spent this year	100,000



DCE Compliance Filing

- In addition to the budget reallocations, the DCE Compliance Filing has been updated to reflect previously approved developments in the following program areas:
 - › EE Transition: Release of the Straw Proposal on the policy details for a benchmarking program for commercial buildings over 25,000 square feet.
 - › Solar: Creation of the Successor Solar Incentive (“SUSI”) Program and closure of the Transition Incentive Program (“TI”) Program.
 - › Community Solar: Award of Year 2 of the Pilot Program, which included 105 projects representing almost 165 MW. All projects committed to allocating at least 51% of project capacity to LMI subscribers.
 - › Community Energy Grants: In order to remove barriers to participation in this program, the application process was simplified to increase the likelihood of success and engagement with eligible overburdened communities.





TRC Compliance Filing

- No proposed program changes.
- Detailed budget was updated to reflect previously discussed true-up reallocations.



Comfort Partners Compliance Filing

- Updated budget allocations amongst utilities to ensure the continuity of the program for the remainder of the FY22:
 - › Total budget remains unchanged.
 - › Better reflect actual participation rates in certain service areas.
 - › Maximize existing funding.



Charge Up NJ Compliance Filing

- In order to improve the administrative efficiency of the Charge Up NJ Program, the following change has been proposed:
 - › The incentive amount for Phase Three - The Electric Vehicle Charger Incentive will now be a flat incentive of \$250.



DPMC Designated Project List

- Due to updated timelines and cost projections, Staff is proposing a reallocation of approximately \$1.2 million between previously approved projects:
 - › No change to the total funding level.
 - › Better aligns with current project status.
 - › DPMC has approved the change but requires Board approval since the allocation is over \$1 million.



Process & Schedule

- Staff requests comments on the Proposal prior to presenting it to the Board for consideration.
- Commenters are encouraged to file their comments directly to the specific docket, Docket No. QO21040720, using the “Post Comments” button on the Board’s Public Document Search tool.
- Comments may also be submitted electronically to Board.Secretary@bpu.nj.gov in PDF or Word format with the subject “Request for Comments - Proposed NJCEP Fiscal Year 2022 True-Up Budget, Budget Revisions and Program Changes.”
- Please note that these comments are considered “public documents” for purposes of the State’s Open Public Records Act. Commenters may identify information that they seek to keep confidential by submitting them in accordance with the confidentiality procedures set forth in N.J.A.C. 14:1-12.3.
- Any questions may be submitted via email to publiccomments@njcleanenergy.com, with the same subject heading as above.
- Comments will be accepted through 5:00 p.m. on January 28, 2022.



THANK YOU



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New Jersey Board of
Public Utilities