



REQUEST FOR COMMENTS

January 12, 2022

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

[Docket No. QO21040720](#)

BACKGROUND AND PROPOSED BUDGET REVISIONS

The Fiscal Year 2022 (“FY22”) *New Jersey’s Clean Energy Program™* (“NJCEP”) Budget, approved through a June 24, 2021 Board Order ([Docket No. QO21040720](#)), was established, in part, based upon an estimate of expenses and commitments expected to be incurred during Fiscal Year 2021 (“FY21”). Once actual expenses and commitments become known, the New Jersey Board of Public Utilities (“NJCEP”) typically approves a “True-Up Budget” truing-up for the differences between expenses and commitments estimated for budgetary purposes and the expenses and commitments actually incurred. Consistent with that practice, and now that all expenses actually incurred during FY21 and commitments existing as of June 30, 2021 are final and known, NJCEP Staff (“Staff”) has developed a proposed budget truing-up the differences between estimated expenses and commitments versus actual expenses and commitments, which results in an additional \$599,396 available for the NJCEP.

Additionally, a review of FY22 first quarter program expenditures shows that some program spending is tracking above and below the original projections. Other program budgets have been adjusted due to timeline changes. Therefore, the Proposed Revised Budget also suggests the below redistributions to align budgets with program performance and other initiatives.

The allocation of the additional funds identified through the true-up, as well as the foregoing reallocation, is summarized below, including in the Proposed Revised FY22 Budget. Additionally, Staff is proposing revised Compliance Filings. These changes are collectively referred to as the “Proposal.”

Staff is requesting comments on the Proposal prior to presenting it to the Board for consideration; the schedule and process for submitting comments is set forth at the end of this Request for Comments.

TRUE-UP CALCULATIONS

The following tables shows the derivation of the \$599,396 true-up additional carryforward amount:

(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

<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>
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.

Budget Table

The following table shows the Original Budget (approved by the Board in June 2021), the allocation of the \$559,396 in additional carryforward from FY21, the proposed budget revisions, and the resulting Proposed Revised FY22 Budget:

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

<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>
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
EDA Programs	15,359,085	-	-	15,359,085
Clean Energy Manufacturing Fund	109,085	-	-	109,085
NJ Wind	11,500,000	-	-	11,500,000
R&D Energy Tech Hub	3,750,000	-	-	3,750,000
Planning and Administration	45,510,870	599,396	2,500,000	48,610,266
BPU Program Administration	5,185,000	-	-	5,185,000
Marketing	13,601,927	-	-	13,601,927
CEP Website	400,000	-	-	400,000
Program Evaluation/Analysis	19,724,922	599,396	2,400,000	22,724,318
Outreach and Education	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
Community Energy Grants	1,000,000	-	-	1,000,000
Storage	20,000,000	-	-	20,000,000
Electric Vehicle Program	47,392,057	-	-	47,392,057
Fund Plug In EV Incentive	33,388,171	-	-	33,388,171
Fund CUNJ Administrative	3,503,886	-	-	3,503,886
CUNJ Residential Charger Incentive	3,000,000	-	-	3,000,000
(EDA) EV Grid Assessment	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

*Other revenue includes interest earnings from the Clean Energy Fund and EDA Programs.

PROPOSED BUDGET REVISIONS

Allocations and Rationale

Proposed Increases

Staff proposes to increase the budgets for the programs and initiatives below for the following amounts and reasons:

<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

Proposed Deductions

Staff proposes to decrease the budgets for the programs below for the following amounts and reasons:

<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

Comfort Partners Program Budget Reallocation

Staff is recommending a reallocation within the Comfort Partners Program budget amongst the previously approved allocations to each utility. The total budget for the Comfort Partners program will remain unchanged. The reallocation is being proposed as a result of the fluctuation of program demand in response to current participation rates. Some service areas have experienced an influx of work compared to original forecasts, while others have seen a slight reduction. To ensure the continuity of the Comfort Partners program, this request of budget reallocation amongst the utilities will ensure that the impacted program contractors can continue their work

unimpeded. This budget change would align the Comfort Partners' budgets to ensure that funds are properly allocated in needed utility territories and to ensure that all funding will be utilized.

FY22 Approved Comfort Partners Budget								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$2,142,357.00	\$256,671.00	\$36,949.00	\$34,999.00	\$1,713,665.00	\$100,073.00	\$0.00	\$0.00
JCP&L	\$5,049,929.00	\$573,738.00	\$122,354.00	\$84,354.00	\$4,061,286.00	\$195,197.00	\$13,000.00	\$0.00
PSE&G- Elec	\$9,065,255.00	\$496,255.00	\$250,538.00	\$225,517.00	\$7,749,798.00	\$343,147.00	\$0.00	\$0.00
RECO	\$430,000.00	\$71,000.00	\$16,000.00	\$16,000.00	\$300,000.00	\$27,000.00	\$0.00	\$0.00
NJNG	\$5,741,406.00	\$344,308.00	\$115,609.00	\$108,942.00	\$4,980,438.00	\$192,109.00	\$0.00	\$0.00
Elizabethtown	\$3,372,793.00	\$243,576.00	\$68,557.00	\$64,789.00	\$2,854,776.00	\$141,095.00	\$0.00	\$0.00
PSE&G-Gas	\$16,795,335.00	\$802,178.00	\$440,140.00	\$387,608.00	\$14,591,355.00	\$574,054.00	\$0.00	\$0.00
SJG	\$3,332,925.00	\$339,251.00	\$62,970.00	\$60,233.00	\$2,762,587.00	\$107,884.00	\$0.00	\$0.00
TOTAL	\$45,930,000.00	\$3,126,977.00	\$1,113,117.00	\$982,442.00	\$39,013,905.00	\$1,680,559.00	\$13,000.00	\$0.00
PSE&G - Combined	\$25,860,590.00	\$1,298,433.00	\$690,678.00	\$613,125.00	\$22,341,153.00	\$917,201.00	\$0.00	\$0.00

FY22 Proposed Comfort Partners Reallocations								
		Admin and Program Development	Sales, Marketing, Call Centers, Web Site	Training	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other QC	Evaluation & Research	Contractor Perf. Incentives
ACE	\$2,128,476.00	\$256,671.00	\$36,949.00	\$34,999.00	\$1,713,665.00	\$86,192.00	\$0.00	\$0.00
JCP&L	\$5,049,929.00	\$573,738.00	\$122,354.00	\$84,354.00	\$4,061,286.00	\$195,197.00	\$13,000.00	\$0.00
PSE&G- Elec	\$10,344,235.00	\$519,373.00	\$276,271.00	\$245,250.00	\$8,936,461.00	\$366,880.00	\$0.00	\$0.00
RECO	\$430,000.00	\$71,000.00	\$16,000.00	\$16,000.00	\$300,000.00	\$27,000.00	\$0.00	\$0.00
NJNG	\$5,741,406.00	\$344,308.00	\$115,609.00	\$108,942.00	\$4,980,438.00	\$192,109.00	\$0.00	\$0.00
Elizabethtown	\$3,372,793.00	\$243,576.00	\$68,557.00	\$64,789.00	\$2,854,776.00	\$141,095.00	\$0.00	\$0.00
PSE&G-Gas	\$15,516,355.00	\$779,060.00	\$414,407.00	\$367,875.00	\$13,404,692.00	\$550,321.00	\$0.00	\$0.00
SJG	\$3,346,806.00	\$334,583.00	\$62,970.00	\$60,233.00	\$2,762,587.00	\$126,433.00	\$0.00	\$0.00
TOTAL	\$45,930,000.00	\$3,122,309.00	\$1,113,117.00	\$982,442.00	\$39,013,905.00	\$1,685,227.00	\$13,000.00	\$0.00
PSE&G - Combined	\$25,860,590.00	\$1,298,433.00	\$690,678.00	\$613,125.00	\$22,341,153.00	\$917,201.00	\$0.00	\$0.00

OTHER REVISED DOCUMENTS

The following draft documents, incorporating the changes discussed above, have been released along with this Request for Comments.

- Division of Clean Energy Compliance Filing
- Comfort Partners Program Compliance Filing
- Program Administrator (TRC) Compliance Filing
- Charge Up New Jersey Compliance Filing
- DPMC Designated Project List

VIRTUAL INFORMATIONAL SESSION

Staff will be holding a virtual informational session on the proposed true-up budget and proposed program revisions on **January 21, 2022 at 1:00 p.m. ET.**

Please note that, in the interest of public health and safety, this meeting will be conducted via a Zoom webinar. You must register for the meeting before attending by clicking the following registration link: https://us06web.zoom.us/webinar/register/WN_kNIJ9wzoRRi7HL6i8TRxHq.

PROCESS AND SCHEDULE FOR SUBMITTING COMMENTS

The deadline for comments is 5:00 p.m. on January 28, 2022.

Please submit comments directly to the specific docket listed above using the “Post Comments” button on the Board’s [Public Document Search](#) tool. Comments are considered “public documents” for purposes of the State’s Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. Written 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 submit any questions via email to publiccomments@njcleanenergy.com with the same subject line identified above.