



# **NJCEP Proposed Fiscal Year 2024 True-Up Budget, Revised Budget and Program Changes**

March 15, 2024

2:30 pm





# Agenda

- 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 DCE website.
- Meeting participants on Mute
- Questions and Comments



# Documents for Review

- Proposed FY24 True-Up Budget
- Compliance Filings
  - › DCE
  - › TRC
  - › Comfort Partners
- Comprehensive Resource Analysis
- DPMC Designated Project List



# Background

The Fiscal Year 2024 (“FY24”) New Jersey’s Clean Energy Program (“NJCEP”) budget was:

- Approved through a June 29, 2023, Board Order.
- This was based upon an estimate of expenses and commitments expected to be incurred during Fiscal Year 2023.
- 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.
- Program revisions to continue to provide an equitable, transparent, and efficient use of funding.
- Build upon successful decarbonization efforts by exploring innovative programs and supporting ongoing work by the Board.
- Maintain progress towards the State's clean energy goals.



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

<i>FY23 Programs/Budget Line</i>	<i>FY23 Final Budget</i>	<i>FY23 Actual Expenses</i>	<i>FY23 Actual Year End Commitments</i>	<i>FY23 Actual Expenses plus Year End Commitments</i>	<i>FY23 Budget Less Actual Expenses and Commitments</i>
<b>Total NJCEP + State Initiatives</b>	657,147,718	227,663,759	330,137,407	557,801,167	99,346,551
State Energy Initiatives	92,674,000	85,913,242	-	85,913,242	6,760,758
<b>Total NJCEP</b>	564,473,718	141,750,518	330,137,407	471,887,925	92,585,793
Energy Efficiency Programs	298,838,400	76,406,798	156,491,468	232,898,266	65,940,134
Distributed Energy Resources	23,771,608	5,767,195	11,675,669	17,442,864	6,328,744
RE Programs	35,463,696	6,003,231	28,667,175	34,670,406	793,290
EDA Programs	28,940,000	1,424,805	27,475,195	28,900,000	40,000
Planning and Administration	56,689,084	17,107,855	28,356,388	45,464,243	11,224,841
BPU Initiatives	120,770,931	35,040,634	77,471,513	112,512,147	8,258,784

<i>FY23 Estimated Uncommitted Carryforward</i>	<i>FY23 Budget Less Actual Expenses and Commitments</i>	<i>Difference Between FY23 Estimated Uncommitted Carryforward and Actuals</i>	<i>Other Revenues (Interest Payments, Application Fees, etc.)</i>	<i>Additional FY23 Carryforward and Other Revenues</i>
<b>38,087,454</b>	<b>99,346,551</b>	<b>61,259,097</b>	<b>18,755,540</b>	<b>80,014,638</b>

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





# Proposed FY24 True-Up Budget (In \$)

<i>FY24 Program/Budget Line</i>	<i>Initial FY24 Budget</i>	<i>Additional FY23 Carryforward and Other Revenues*</i>	<i>Line Item Transfers</i>	<i>Revised FY24 Budget</i>
<b>Total NJCEP + State Initiatives</b>	<b>660,108,841</b>	<b>80,014,638</b>	<b>-</b>	<b>740,123,479</b>
<b>State Energy Initiatives</b>	<b>71,200,000</b>	<b>-</b>	<b>-</b>	<b>71,200,000</b>
<b>Total NJCEP</b>	<b>588,908,841</b>	<b>80,014,638</b>	<b>-</b>	<b>668,923,479</b>
<b>Energy Efficiency Programs</b>	<b>296,222,053</b>	<b>-</b>	<b>(4,148,516)</b>	<b>292,073,537</b>
<b>Res Low Income (Comfort Partners)</b>	<b>56,978,000</b>	<b>-</b>	<b>-</b>	<b>56,978,000</b>
<b>C&amp;I EE Programs</b>	<b>83,217,851</b>	<b>-</b>	<b>(4,168,516)</b>	<b>79,049,335</b>
C&I Buildings	76,288,155	-	(3,648,940)	72,639,215
LGEA	5,362,042	-	975,910	6,337,952
DI	1,567,654	-	(1,495,486)	72,168
<b>New Construction Programs</b>	<b>60,571,611</b>	<b>-</b>	<b>20,000</b>	<b>60,591,611</b>
New Construction	60,571,611	-	20,000	60,591,611
<b>Energy Efficiency Transition</b>	<b>14,588,263</b>	<b>-</b>	<b>-</b>	<b>14,588,263</b>
<b>State Facilities Initiative</b>	<b>61,597,550</b>	<b>-</b>	<b>-</b>	<b>61,597,550</b>
<b>Acoustical Testing Pilot</b>	<b>3,281,880</b>	<b>-</b>	<b>-</b>	<b>3,281,880</b>
<b>LED Streetlights Replacement</b>	<b>15,986,898</b>	<b>-</b>	<b>-</b>	<b>15,986,898</b>
<b>Distributed Energy Resources</b>	<b>20,180,161</b>	<b>-</b>	<b>1,779,919</b>	<b>21,960,080</b>
CHP - FC	17,992,661	-	1,779,919	19,772,580
Microgrids	2,187,500	-	-	2,187,500
<b>RE Programs</b>	<b>23,895,254</b>	<b>450,000</b>	<b>170,465</b>	<b>24,515,719</b>
Offshore Wind	20,406,584	450,000	-	20,856,584
Solar Registration	3,488,670	-	170,465	3,659,135
<b>EDA Programs</b>	<b>37,912,044</b>	<b>-</b>	<b>-</b>	<b>37,912,044</b>
<b>Clean Energy Manufacturing Fund</b>	<b>17,228</b>	<b>-</b>	<b>-</b>	<b>17,228</b>
NJ Wind	25,400,942	-	-	25,400,942
R&D Energy Tech Hub	12,493,874	-	-	12,493,874
<b>Planning and Administration</b>	<b>68,093,398</b>	<b>12,180,713</b>	<b>2,198,132</b>	<b>82,472,243</b>
BPU Program Administration	5,585,000	1,500,000	-	7,085,000
Marketing	12,262,234	-	-	12,262,234
CEP Website	1,500,000	-	-	1,500,000
Program Evaluation/Analysis	42,354,552	10,680,713	2,008,041	55,043,306
<b>Outreach and Education</b>	<b>6,224,889</b>	<b>-</b>	<b>190,091</b>	<b>6,414,980</b>
Sustainable Jersey	889,000	-	-	889,000
NJIT Learning Center	1,155,632	-	-	1,155,632
Conference	405,257	-	-	405,257
Outreach, Website, Other	3,775,000	-	190,091	3,965,091
<b>Memberships</b>	<b>166,723</b>	<b>-</b>	<b>-</b>	<b>166,723</b>







# Proposed FY24 True-Up Budget (Cont.)

<i>FY24 Program/Budget Line</i>	<i>Initial FY24 Budget</i>	<i>Additional FY23 Carryforward and Other Revenues*</i>	<i>Line Item Transfers</i>	<i>Revised FY24 Budget</i>
<b>BPU Initiatives</b>	<b>142,605,931</b>	<b>67,383,925</b>	-	<b>209,989,856</b>
<b>Community Energy Grants</b>	<b>5,574,034</b>	-	-	<b>5,574,034</b>
<b>Storage</b>	<b>24,000,000</b>	<b>6,500,000</b>	-	<b>30,500,000</b>
<b>Heat Island Pilot</b>	<b>2,500,000</b>	-	-	<b>2,500,000</b>
<b>Electric Vehicle Program</b>	<b>84,200,000</b>	<b>30,883,925</b>	-	<b>115,083,925</b>
Plug In EV Incentive Fund	31,700,000	5,883,925	-	37,583,925
CUNJ Administrative Fund	3,000,000	500,000	-	3,500,000
CUNJ Residential Charger Incentive	4,500,000	-	-	4,500,000
EV Studies, Pilots, and Administrative Support	3,000,000	-	(1,500,000)	1,500,000
State Vehicle Fleet	6,000,000	2,500,000	-	8,500,000
Local Clean Fleet	6,000,000	3,500,000	-	9,500,000
Multi-Unit Dwellings (Chargers)	15,000,000	8,000,000	-	23,000,000
EV Tourism	8,000,000	-	-	8,000,000
E-Mobility Programs	7,000,000	-	(3,000,000)	4,000,000
Electric School Buses	-	10,500,000	4,500,000	15,000,000
<b>Energy Bill Assistance</b>	<b>21,831,897</b>	<b>30,000,000</b>	-	<b>51,831,897</b>
Arrearage Relief	21,831,897	-	-	21,831,897
Residential Customer Relief Initiative	-	30,000,000	-	30,000,000
<b>Workforce Development</b>	<b>4,500,000</b>	-	-	<b>4,500,000</b>





# Reallocations and Rationale

- Proposed Increases

<u>Program</u>	<u>Reason(s)</u>	<u>Amount in \$</u>
LGEA	Budget adjusted to cover additional costs associated with auditing and performing benchmarking of State buildings	975,910
New Construction	Budget adjusted to reflect updated forecast of costs associated with the proposed new program	20,000
CHP – FC	Budget adjusted to accommodate upcoming projects for this program	1,779,919
Offshore Wind	Budget adjusted to ensure adequate funding to support programmatic needs associated with the fourth solicitation	450,000
Solar Registration	Budget adjustments are made to ensure sufficient funding is available to cover increased participation levels	170,465
BPU Program Administration	Budget adjusted to reflect costs associated with additional full-time employees and administrative expenses.	1,500,000
Program Evaluation/Analysis	Support an MOU between BPU and the EDA for assistance with grant applications in connection with the Creating Helpful Incentives to Produce Semiconductors Act and the Inflation Reduction Act. Also, funding has been allocated to continue to support additional evaluations and related research to further the Energy Master Plan's strategies.	12,688,754
Outreach, Website, Other	Provide additional support to BPU program focused events	190,091





# Reallocations and Rationale

- Proposed Increases (Cont.)

<u>Program</u>	<u>Reason(s)</u>	<u>Amount in \$</u>
Storage	Increased budget amount reflects an anticipated need to cover incentive payments as part of the implementation of the New Jersey Storage Incentive Program	6,500,000
Plug In EV Incentive Fund	Budget adjusted to reflect previous encumbrances	5,883,925
CUNJ Administrative Fund	Budget adjusted to support additional work under the existing contract with the Center for Sustainable Energy	500,000
State Vehicle Fleet	Budget adjusted to reflect previous encumbrances	2,500,000
Local Clean Fleet	Budget adjusted to reflect previous encumbrances	3,500,000
Multi-Unit Dwellings (Chargers)	Budget adjusted to reflect previous encumbrances and updated forecast of participation levels	8,000,000
Electric School Buses	Support legislative mandate between BPU and DEP to fund electric school buses	15,000,000
Residential Customer Relief Initiative	Additional support for qualified customers in need of financial bill assistance	30,000,000





# Reallocations and Rationale

- Proposed Decreases

<u>Program</u>	<u>Reason(s)</u>	<u>Amount in \$</u>
C&I Buildings	Budget adjusted to reflect updated forecast of participation levels	3,648,940
DI	Budget adjusted to reflect updated forecast of remaining costs of projects	1,495,487
EV Studies, Pilots, and Administrative Support	Budget adjusted to reflect updated timelines for when funds will be needed	1,500,000
E-Mobility Programs	Budget adjusted to reflect updated forecast of participation levels	3,000,000



# DCE Compliance Filing

- In addition to the budget reallocations, the DCE Compliance Filing has been updated to reflect developments in the following key program areas:
  - › Offshore Wind:
    - » Third solicitation awards
  - › Solar:
    - » Latest developments in CSI Program solicitations and Community Solar Energy Program
    - » Updated to reflect the status of the Dual-Use Solar Pilot
  - › Energy Efficiency
    - » Triennium 2 review and requirements



# DCE Compliance Filing (cont.)

- › Program Evaluation:
  - » Support an MOU between BPU and the EDA for assistance with grant applications in connection with the Creating Helpful Incentives to Produce Semiconductors Act and the Inflation Reduction Act. Also, funding has been allocated to continue to support additional evaluations and related research to further the Energy Master Plan's strategies.
  
- › Electric Vehicle Program:
  - » Support legislative mandate between BPU and DEP to fund electric school buses.
  
- › Energy Bill Assistance (Residential Customer Relief Initiative):
  - » Additional support for qualified customers in need of financial bill assistance.



# TRC Compliance Filing

- Detailed budget was updated to reflect previously discussed true-up reallocations.
- No major program changes except for the Board consideration of the previously mentioned proposed New Construction Program.



## Comfort Partners Compliance Filing

- Compliance filing reflects budget reallocation funding to be shifted between cost categories to align with expected need in these service areas.





## Comprehensive Resource Analysis

- The Comprehensive Resource Analysis has been adjusted to reflect program updates and previously approved Board actions.



## **BPU and DPMC Designated Project List**

- Due to updated timelines and cost projections, Staff is proposing a reallocation of approximately \$150k between previously approved projects to better align with current project status.



# 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. QO23040236, 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](mailto:Board.Secretary@bpu.nj.gov), under the subject heading “Requests for Comments –Proposed NJCEP Fiscal Year 2024 True-Up Budget, etc.”
- 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.
- Comments will be accepted through 5:00 p.m. on March 27, 2024.





**THANK YOU**

