



Chris Christie  
Governor

Kim Guadagno  
Lt. Governor

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
Newark, NJ 07102  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

Kristi Izzo  
Secretary of the Board  
Tel. # (973) 648-3426

## NOTICE<sup>1</sup>

### **Office of Clean Energy: Request for Comments Regarding Comfort Partners Program Budget**

In late July 2010 the Utilities reported to the Office of Clean Energy (OCE) that a combination of increases in the number of measures installed in each Comfort Partners home treated, which was implemented to increase the level of savings per home to be equivalent to the increased Weatherization federal funding, and a ramp up in the number of contractors and number of Comfort Partners homes treated, had caused several Utilities to approach their Comfort Partners program budget limits. The Utilities indicated that the increase in expenses was unprecedented and occurred in a very short time period which did not allow time for all of the Utilities to modify the program to remain within their budget through the remainder of the year without suspending the program to new applicants.

The Utilities indicated to Staff that approximately \$3 million in additional funding would be required to keep the program operating through the end of the year and to avoid layoffs by the contractors that deliver the program and install the measures in low-income homes. Subsequent to its discussions with the Utilities, the OCE explored additional sources of funding that could potentially be available for reallocation to the Comfort Partners program, subject to Board approval. The OCE identified approximately \$3 million in funds consisting of the following components:

- Treasury has reported that the NJCEP Trust Fund received an interest payment of \$1,375,824.60 which is available for allocation to programs.
- Honeywell, the RE Market Manager, has indicated that \$930,000 in CORE projects that had previously received a rebate commitment have cancelled freeing up dollars for allocation to other NJCEP programs.
- The OCE has reviewed the OCE Oversight budget and recommends that the Green Jobs and Building Code Training budget be reduced by \$300,000, that the Program Evaluation budget reduced by \$300,000 and that the Financial Audits budget be reduced by \$100,000. The remaining funds in these budget lines are sufficient to pay currently anticipated expenses and commitments.

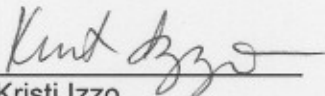
The Utilities have also proposed to place on hold a pilot for new measures such as cool roofs and reflective window film noting that delivery of these measures has not yet commenced. Suspension of the pilot will free up additional funds for installation of measures in homes. The Utilities noted that program spending allowance guidelines were increased at the end of 2009 in order for the Comfort Partners program to be consistent with other low income state

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weatherization programs using federal stimulus funds. The Utilities indicated that while it is their intent to maintain the current spending guidelines, they will consider reverting back to the original 2009 guidelines for the remainder of the year should budgetary restraints command such an action.

The OCE will present these proposals to the Board for consideration on an emergent basis, in order to avoid layoffs of program contractors, at its August 18, 2010 agenda meeting. The OCE will discuss these issues at the August 17, 2010 meetings of the EE and RE Committees and received comment at the Committee meetings. Any written comments must be submitted by 5 p.m. August 17, 2010 and shall be submitted to: [oce@bpu.state.nj.us](mailto:oce@bpu.state.nj.us)

The OCE will consider any comments received by that date in developing its recommendations to the Board.

  
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Kristi Izzo  
Secretary of the Board

Dated: August 12, 2010