

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications to EE and RE Program Budget

Date: March 23, 2015

By Order dated February 4, 2014, the Board authorized Staff to make modifications to NJCEP budgets provided that certain conditions were met. Specifically, the Board authorized Staff to modify NJCEP budgets within a given Funding Category, such as EE, RE, EDA, etc., provided that the reallocation did not reduce a program's budget by more than 10%.

The Order requires Staff to provide a written notice to each Commissioner at least seven days prior to implementing any budget modification. The order also requires Staff to circulate to the proposed budget modifications for public comment prior to approval.

Home Performance with Energy Star

By letter dated March 5, 2015, Honeywell notified Staff that it has experienced an increase in participation in the Home Performance with Energy Star (HPwES) program and that it projects a need for additional funds to meet anticipated participation through the remainder of the fiscal year. The HPwES program currently has expenses and commitments that equal 74% of the budget; however, based on current monthly pace of new applications, Honeywell projects it will exhaust the HPwES program budget before the end of the fiscal year.

To allow sufficient funds for the HPwES program to remain open through the remainder of the fiscal year, Honeywell requested the transfer of \$1,927,500 to the HPwES program from the Residential New Construction (RNC) program. Honeywell indicated that the proposed decrease to the RNC program budget is not anticipated to adversely impact projected program commitments through the remainder of the fiscal year.

The following table shows the budget previously approved by the Board, the proposed amount of the transfer(s), the proposed budget, and the proposed transfer as a percentage of the total program budget. No previous budget modifications have been approved by Staff during this FY.

Residential EE Program	FY2015 Approved Budget	Proposed Transfer	Proposed Budget	% of Budget	Date of Last Transfer
Residential New Construction	\$ 19,275,897.29	\$ (1,927,500.00)	\$ 17,348,397.29	-10.0%	NA
Home Performance with Energy Star	\$ 43,364,475.16	\$ 1,927,500.00	\$ 45,291,975.16	NA	NA

Honeywell proposes a transfer of \$1,677,500 from the RNC Rebates, Grants and Other Direct Incentives budget category and \$250,000 from the RNC Rebate Processing budget category with \$1,412,500 transferred to the HPwES program Rebate, Grants and Other Direct Incentives budget category and \$515,000 transferred to the Rebate Processing budget category.

REIP

Honeywell is also proposing the transfer of funds across budget categories within the Renewable Energy Incentive Program (REIP) budget. Specifically, a portion of the REIP budget is dedicated to fees associated with processing SREC registrations. Honeywell's initial budget was based on an estimate of processing 10,200 registrations in the FY. Through March 1, 2015, Honeywell has processed 8,975 registrations, and based on the current trend, Honeywell estimates that an additional 4,800 registrations will be submitted before the end of the FY.

Honeywell proposes to transfer of \$798,810.32 from the Rebate, Grants and Other Direct Incentives budget category of the REIP program to the Rebate Processing budget category of the REIP program. This transfer will provide sufficient funds to process the number of SREC registrations anticipated to be submitted through the end of the FY and will have no adverse impact on the program's ability to meet program commitments through the end of the fiscal year.

The following table shows the budget previously approved by the Board, the proposed amount of the transfer(s), the proposed budget, and the proposed transfer as a percentage of the program budget.

Description	FY 2015 Approved Budget	Administration, IT and Program Development	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	% of Budget
Current REIP Budget	\$17,522,245.87	\$1,376,206.92	\$13,741,185.93	\$2,404,853.02	
Proposed Transfer	\$0.00		-\$798,810.32	\$798,810.32	5.81%
Revised REIP Budget	\$17,522,245.87	\$1,376,206.92	\$12,942,375.61	\$3,203,663.34	

Staff has reviewed the proposed budget transfers and finds them to be reasonable.