

To: EE List Serv

Date: August 11, 2011

Re: Summary of Proposed EE Program Budget Transfers

**Residential HVAC Electric and Gas Program
Proposed Changes to Budget**

Due to the overwhelming market response to the *COOL* and *WARM* Advantage 2010 Programs and the continued high level of response to the *COOL* and *WARM* Advantage 2011 Programs and the resulting volume of customer applications received for processing, the following adjustments are proposed to the budget. These adjustments would support both customer incentives and processing for an additional 6,200 units. This would entail moving \$2,720,000 to the “Rebates, Grants and other Direct Incentives” category and \$218,426 to the HVAC “Rebate Processing, Inspections and other Quality Control” category. These funds would be shifted from other existing EE budgeted funds as detailed below, and would not increase the overall Residential EE Programs budget.

**ENERGY STAR Products Program
Proposed Changes to Budget**

The consumer response to the ENERGY STAR® Clothes Washer Appliance Rebate Program combined with the success of the ARRA State Energy Efficient Appliance Rebate Program (SEEARP) has resulted in an influx of rebate applications in excess of planned units. In addition, we are proposing to add an additional 1,020,000 CFLs, Lighting Fixtures and LED Markdowns, 8,000 Clothes washers and 25,000 Set Top Boxes. This would entail moving \$2,000,000 to the “Rebates, Grants and other Direct Incentives” budget and, re-allocating \$186,747 to the Products “Rebate Processing, Inspections and other Quality Control”. These funds would be shifted from other existing EE budgeted funds as detailed below, and would not increase the overall Residential EE Programs budget

Home Performance with ENERGY STAR Proposed Changes to Budget

The Home Performance Program has seen less participation this year than originally planned and budgeted for. Accordingly we propose shifting \$4,720,000 from the Home Performance “Rebates, Grants and other Direct Incentives” and \$405,173.24 from the Home Performance “Rebate Processing, Inspections and other Quality Control” categories. The total Residential EE Programs budget would remain at \$91,932,074.57 and would not increase

Proposed Revised 2011 Residential Efficiency Budget

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$22,724,583.98	\$1,306,764.00	\$0.00	\$354,001.80	\$17,892,918.52	\$3,038,657.26		\$132,242.40
Residential New Construction	\$19,943,969.50	\$1,249,392.00	\$0.00	\$0.00	\$16,497,157.80	\$1,951,092.50		\$246,327.20
ENERGY STAR Products	\$18,193,381.04	\$1,655,032.84	\$0.00	\$0.00	\$15,446,343.30	\$933,169.20		\$158,835.70
Home Performance with Energy Star	\$29,760,156.05	\$1,044,421.08	\$0.00	\$0.00	\$26,397,858.22	\$2,317,876.75		\$0.00
Marketing	\$1,309,984.00	\$0.00	\$1,309,984.00	\$0.00	\$0.00	\$0.00		\$0.00
Sub Total Residential Programs	\$91,932,074.57	\$5,255,609.92	\$1,309,984.00	\$354,001.80	\$76,234,277.84	\$8,240,795.71		\$537,405.30

2011 Residential Efficiency Budget Approved 6-15-11

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$19,786,157.98	\$1,306,764.00	\$0.00	\$354,001.80	\$15,172,918.52	\$2,820,231.26		\$132,242.40
Residential New Construction	\$19,943,969.50	\$1,249,392.00	\$0.00	\$0.00	\$16,497,157.80	\$1,951,092.50		\$246,327.20
ENERGY STAR Products	\$16,006,633.80	\$1,655,032.84	\$0.00	\$0.00	\$13,446,343.30	\$746,421.96		\$158,835.70
Home Performance with Energy Star	\$34,885,329.29	\$1,044,421.08	\$0.00	\$0.00	\$31,117,858.22	\$2,723,049.99		\$0.00
Marketing	\$1,309,984.00	\$0.00	\$1,309,984.00	\$0.00	\$0.00	\$0.00		\$0.00
Sub Total Residential Programs	\$91,932,074.57	\$5,255,609.92	\$1,309,984.00	\$354,001.80	\$76,234,277.84	\$8,240,795.71		\$537,405.30

Proposed Changes to Commercial & Industrial Program Budgets

There has been a tremendous response from the market relative to participating in both the C&I Retrofit and Direct Install Programs. At the beginning of July (50% of the year) both budgets are at more than 70% committed/expended. As result, TRC proposes to reallocate program incentive budgets between C&I Programs to ensure incentives are available for these programs to meet market demand. After a careful review of activity across all C&I Programs, and making projections for the remainder of 2012, we have determined that funds can be allocated from New Construction, Local Government Energy Audit and the Pay for Performance Programs without negatively impacting their operation for the remainder of the year.

TRC proposes the following reallocation of the “Rebate Processing, Grants, and Other Direct Incentives” budget category:

Program	Current "Rebates, Grants and Other Direct Incentives" Budget	Proposed Change	New "Rebates, Grants and Other Direct Incentives" Budget
C&I New Construction	\$ 7,977,169.00	\$ (2,000,000.00)	\$ 5,977,169.00
C&I Retrofit	\$ 36,901,000.00	\$ 6,000,000.00	\$ 42,901,000.00
Pay for Performance - New Construction	\$ 6,604,000.00	\$ -	\$ 6,604,000.00
Pay for Performance - Existing Buildings	\$ 50,864,264.68	\$ (5,000,000.00)	\$ 45,864,264.68
CHP	\$ 1,000,000.00	\$ -	\$ 1,000,000.00
Local Government Energy Audit	\$ 10,400,000.00	\$ (3,000,000.00)	\$ 7,400,000.00
Direct Install	\$ 26,775,000.00	\$ 4,000,000.00	\$ 30,775,000.00
TEACH	\$ 574,460.00	\$ -	\$ 574,460.00
Large Energy User's Pilot	\$ 19,496,660.60	\$ -	\$ 19,496,660.60
Total	\$ 160,592,554.28	\$ -	\$ 160,592,554.28

With the above reallocation, the total “Rebates, Grants and Other Direct Incentives” budget remains unchanged for 2011.