

Proposed Changes to the 2010 New Jersey's Clean Energy Commercial & Industrial Programs
Submitted by TRC Energy Services June 7, 2010

Over the past several months, there has been a significant increase in applications submitted to New Jersey's Clean Energy Commercial & Industrial programs. As a result, several program are at, or nearing their budget caps. In an effort to continue to be able to provide incentives under these programs, TRC proposes the following changes to the 2010 Compliance Filing which are intended to maximize the remaining 2010 budget:

Budget:

TRC proposes to reallocate \$10 million from the Pay for Performance (Existing Buildings) budget to several programs: Retrofit - \$3 million, New Construction - \$1 million, LGEA - \$2 million and Direct Install - \$4 million.

TRC also proposes that if the Direct Install budget is increased, that a large percentage of the new funding be earmarked for local government entities (e.g. 60%). Should additional funding become available, TRC proposes that this funding be utilized toward Direct Install and Local Government Energy Audit programs.

Smart Start Incentives:

- The following are proposed changes to the equipment incentive portion of the NJCEP:
 - Prescriptive Lighting Incentive:
 - Reduce T-12 to T-8 retrofit incentive from \$15 to \$10
 - Eliminate the multiple measures bonus

Direct Install Incentives:

For ALL entities:

- Incentive/Customer cost split reduced from 80/20 to 60/40
- Reduce project incentive cap from \$80K to \$50K
- Maintain entity incentive cap of \$250K
- Market Manager has the discretion to approve applications that exceed the maximum monthly peak demand threshold of 200 kW by no more than 10%.

For Local Government Entities:

- o Eliminate the 200 kW maximum monthly peak demand threshold for entities that are also receiving an Energy Efficiency and Conservation Block Grant of \$20,000.

Marketing:

The 2010 Marketing budget will also be reduced by a total of \$50,000. The direct marketing and variable contingency line items will be reduced by \$20,000. The fixed marketing (labor) line item will be reduced by \$30,000.