



State of New Jersey
BOARD OF PUBLIC UTILITIES
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**Request for Comments:
Proposed Revisions to NJCEP FY16 Budget
October 22, 2015**

The FY16 NJCEP budget was established based, in part, upon estimated expenses for the FY15 budget period. On an annual basis, the Board considers the “True Up” budget, once actual expenses from the previous fiscal year are known. With FY15 expenses finalized, Board Staff has proposed a trued up, FY16 NJCEP budget that it anticipates presenting to the Board for consideration at the November 16, 2015 agenda meeting. Staff is seeking comments on the proposed budget prior to presenting it to the Board.

The spreadsheet included with this notice includes a tab for each budget category – EE, RE, CHP/FC, EDA programs and Administration – that show final expenses for each program within that category. Final expenses have been deducted from the budget to calculate “Actual Carry Over” (see FY15 tab for each budget category). Actual Carry Over is then reconciled against the “Estimated Carry Over” that was used to establish the FY16 NJCEP budget, which was approved by the Board at its June 25, 2015 agenda meeting. The difference between Actual and Estimated Carry Over is calculated and shown as “Additional Carry Over” (see FY15 tab for each budget category). These funds are available to add to/subtract from the FY16 budget.

In addition to the sums resulting from this reconciliation, there are several sources of new funds that are available to be added to the NJCEP budget. These include additional EDA interest and repayments, additional NJCEP Trust Fund interest, unspent funds from the True Grant contractor, and estimated FY16 EDA revenues. The proposed, trued up program budgets were revised to include these available funds.

Taking into consideration the Additional Carry Over and available new funding, Staff proposes the FY16 True Up Budget based on the following considerations:

1. For the majority of programs, additional carry over was offset by an equal and opposite funding adjustment such that the trued up FY16 program budgets remain unchanged from the budget approved by the Board in June.
2. The exceptions to No.1 above include the CHP-FC program, the EDA CHP program, CEEEP (within Administration tab), Sustainable Jersey (within Administration tab) and the Clean Energy Business Website (within Administration tab). For these programs, the additional carry over was required to meet existing contractual obligations or, in the case of the CHP-FC program, to partially offset a significant increase in the number of new applications received.
3. The FY15 budget approved by the Board included funds for “State Energy Initiatives and Utility Costs” and for the “Energy Resilience Bank.” The full amount budgeted for these

items was not expended. These unexpended funds are now available to transfer to the NJCEP budget.

4. The Board recently awarded a new, multi-year contract to implement the remaining balance of the True Grant, and in FY16, Staff proposes a budget of \$3 million, with the remaining amount of the grant (approx. \$3 million) to be funded in FY17.
5. The Board is awaiting the release of an RFP to engage a new NJCEP Marketing and Website contractor and is planning the transition to a new Program Administrator. In the proposed FY16 True Up Budget, Staff has created a separate marketing line item and allocated \$6 million for the new Marketing/Website contract. Similarly, Staff has created a separate line item for Transition expenses and allocated \$1.126 million.

The proposed FY16 True Up Budget will be discussed at the November 10, 2015 meetings of the EE and RE committees.

PLEASE NOTE: Staff is in the process of developing proposed budget reallocations for those programs that require additional funding and anticipates that it will present budget reallocation recommendations to the Board for consideration at the December 2015 agenda meeting.

Staff is requesting comments on the FY16 True Up Budget by COB Thursday, November 5, 2015. Comments should be submitted to:

publiccomments@njcleanenergy.com

Please reference: "Proposed FY16 NJCEP True Up budget"