

Request for Comments

To: Interested Stakeholders

From: Elizabeth Ackerman, Acting Director

Subj: Request for Comments on Proposed Modifications to the LGEA Budget

Date: April 17, 2014

By Order dated February 4, 2014 the Board authorized Staff to make modifications to NJCEP budgets provided 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 does not reduce a programs 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 which Staff has done. The Order also requires Staff to circulate proposed budget modifications for comment prior to implementing the proposed changes which is the purpose of this request for comments.

By email dated April 9, 2014, TRC notified Staff that it has experienced an increase in participation in the Local Government Energy Audit (LGEA), Direct Install and C&I New Construction programs and that it is projecting a need for additional funds to meet anticipated participation through the remainder of the fiscal year. TRC requested the transfer of \$2,830,000 from the Pay-for-Performance (P4P) program with \$375,000 allocated to the LGEA program, \$2,075,000 allocated to the Direct Install program and \$380,000 allocated to the C&I New Construction program. TRC indicated that the proposed decrease to the P4P program budget will have no adverse impacts on its ability to meet current and future projected program commitments. Expenses plus commitments for the P4P program currently equal 70% of the budget.

The table below compares expenses and commitments to budgets for the four programs noted above:

Program	Expenses	Outstanding Commitments @ 3/31/14	Total Expenses + Commitments	Budget	Expenses + Commits/Budget
Local Government Energy Audit	\$ 1,744,270.00	\$ 856,853.50	\$ 2,601,123.50	\$ 2,995,759.50	87%
Direct Install	\$ 18,742,955.34	\$ 16,101,362.63	\$ 34,844,317.97	\$ 39,494,603.07	88%
New Construction	\$ 483,521.89	\$ 1,231,464.51	\$ 1,714,986.40	\$ 1,812,226.30	95%
Pay for Performance	\$ 8,317,302.99	\$ 23,289,547.10	\$ 31,606,850.09	\$ 45,302,273.75	70%
Total	\$ 29,288,050.22	\$ 41,479,227.74	\$ 70,767,277.96	\$ 89,604,862.62	

The following table shows the budget previously approved by the Board, the proposed transfer, the proposed budget, the amount of the proposed transfer as a percentage of the program budget and the date of last transfer which indicates either the date the Board approved the current budget

(if left blank) or the date that Staff authorized a transfer in accordance with the Board’s February 4th Order.

Program	2nd Revised FY 14 Budget	Transfer	Proposed Budget	% of Budget	Date of Last Transfer
Local Government Energy Audit	\$ 2,995,759.50	\$ 375,000.00	\$ 3,370,759.50	13%	2/28/2014
Direct Install	\$ 39,494,603.07	\$ 2,075,000.00	\$ 41,569,603.07	5%	2/4/2014
New Construction	\$ 1,812,226.30	\$ 380,000.00	\$ 2,192,226.30	21%	
Pay for Performance	\$ 45,302,273.75	\$ (2,830,000.00)	\$ 42,472,273.75	-6%	2/28/2014
Total	\$ 89,604,862.62	\$ -	\$ 89,604,862.62		

For the Direct Install and C&I New Construction programs TRC is proposing to allocate the full amount to the “rebate” budget category. For the LGEA program TRC is proposing to allocate \$350,000 to the “rebate” budget category and \$25,000 to the “rebate processing’ budget category.

Comments regarding the proposed budget modification should be submitted to:

publiccomments@njcleanenergy.com

by COB April 28, 2014 with the subject heading “Proposed Modifications to the P4P Budget.”