



State of New Jersey
DIVISION OF RATE COUNSEL
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CHRIS CHRISTIE
Governor

STEFANIE A. BRAND
Director

KIM GUADAGNO
Lt. Governor

June 10, 2015

VIA HAND DELIVERY AND ELECTRONIC MAIL

Hon. Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625

**Re: Comments of the New Jersey Division of Rate Counsel
CEP –Proposed Modifications to the EE and RE Program Budget
(Comfort Partners program, dated June 3, 2015)
I/M/O CEP FY2014 Programs and Budget
BPU Dkt. No. E013050376V**

Dear Secretary Asbury:

The Division of Rate Counsel (“Rate Counsel”) would like to thank the Board of Public Utilities (“BPU” or “Board”) for the opportunity to present the following comments on the proposed reallocations between utilities and between budget categories within the Comfort Partners program 2015 budget which was submitted to stakeholders for comment by the Office of Clean Energy (“OCE”) on June 3, 2015.

Enclosed please find original and ten copies of comments submitted on behalf of Rate Counsel in connection with the above-captioned matter. We are enclosing one additional copy of the comments. Please stamp and date the extra copy as ‘filed’ and return it in our self-addressed stamped envelope.

The OCE does not propose any change in the overall 2015 Comfort Partners budget, which amounts to \$35 million. However, the OCE proposes the following net transfers between budget categories:¹

- Add \$47,680 to the Administration and Program Development budget;
- Remove \$4,240 from the Sales, Marketing, Call Center, and Web Site budget;
- Add \$1,440 to the Training budget;
- Add \$80,000 to the Rebates, Grants, and Other Direct Incentives budget; and
- Remove \$124,880 from the Rebate Processing, Inspections, and Other QC budget.

Broken down by utility, the proposed net transfers are as follows:

- PSE&G (total electric and gas): net reduction of \$162,000;
- JCP&L: net reduction of \$455,760;
- NJ Natural Gas: net addition of \$260,280;
- Elizabethtown Gas: net addition of \$357,480; and
- Atlantic City Electric, South Jersey Gas: no net change.

The OCE describes the budget transfers and the basis for the proposed transfers as follows: “The proposed changes would shift dollars to the rebate budget category thereby increasing direct incentives to low-income customers and are intended to enhance the opportunity [to] complete the installation of measures, and reduce administrative costs.”²

Based on the OCE’s representation, Rate Counsel does not oppose the proposed transfers within the Comfort Partners program. Furthermore, at this juncture, Rate Counsel reiterates its concerns regarding the Comfort Partners program, as set forth in its filed comments on the OCE’s Comprehensive Energy Efficiency and Renewable Energy Resource Analysis (“CRA”) straw proposal.³ Therein, Rate Counsel cited the evaluation of the Comfort Partners program conducted by Apprise consultants in December 2014. Apprise identified some significant issues

¹ The amounts shown are net transfers. There are also transfers between individual utility budgets within each category of expense, which are also reflected in the utility budget totals.

² OCE notice dated June 3, 2015.

³ Dated May 29, 2015.


with the Comfort Partners program which Rate Counsel respectfully recommends that the Board should address in the CRA and program design.⁴

Thank you for your consideration of the within comments.

Respectfully submitted,

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Director, Division of Rate Counsel

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⁴ Apprise study, New Jersey Comfort Partners Final Evaluation Report, Dec. 2014 (“Apprise study”).