



State of New Jersey  
DIVISION OF RATE COUNSEL  
140 EAST FRONT STREET, 4<sup>TH</sup> FL  
P.O. Box 003  
TRENTON, NEW JERSEY 08625

PHIL MURPHY  
*Governor*

SHEILA OLIVER  
*Lt. Governor*

STEFANIE A. BRAND  
*Director*

December 20, 2019

**Via Hand Delivery and Electronic Mail**

Hon. Aida Camacho-Welch, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
P.O. Box 350  
Trenton, NJ 08625-0350

**Re: Proposed NJCEP FY2020 Budget and Budget Revisions  
BPU Dkt. No. QO19050644**

Dear Secretary Camacho-Welch:

Pleased accept an original and ten (10) copies of the within comments submitted on behalf of the New Jersey Division of Rate Counsel ("Rate Counsel") in connection with the above-captioned matter. Copies of the comments are being provided to all parties on the e-service list by electronic mail and hard copies will be provided upon request to our office.

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.**

**Introduction**

Rate Counsel would like to thank the Board of Public Utilities (“BPU” or “the Board”) for the opportunity to present comments on the proposed changes to the Clean Energy Program (“CEP”) proposed by the Office of Clean Energy (“OCE”, “Board Staff”). As set forth below and in the OCE’s notice (“Notice”) dated December 9, 2019 and Request for Comments (“RFC”), the OCE proposes several budget revisions comprised of increases and decreases in subprogram budgets, as well as an additional budgeted amount for an electric vehicle (“EV”) program. The OCE’s proposed revisions are summarized below.

**OCE’s Proposed Increases in CEP FY20 Subprogram Budgets:<sup>1</sup>**

Outreach, Website, Other	\$275,000
Electric Vehicles	\$25,790,000
State Facilities	\$18,774,443
BPU Program Administration	\$500,000
EE Products	\$4,000,000
Clean Energy Website	\$400,000

**OCE’s Proposed Decreases in CEP FY20 Subprogram Budgets:<sup>2</sup>**

Residential EE	\$275,000
C&I Buildings	\$4,000,000
Multi-Family	\$3,000,000
Community Energy Grants	\$3,823,038
Storage	\$3,000,000

The above amounts represent, in part, a re-distribution of \$21,975,141 in CEP funds. (RFC, p. 1) In addition, as a result of the true-up of the FY19 budget to reflect actual expenditures, the OCE states that an additional \$31,768,301 is available for FY20 CEP programs. (RFC, pp. 1, 5) This

---

<sup>1</sup> RFC, p. 2.

<sup>2</sup> RFC, p. 3.

amounts to a total of \$53,743,442 in allocations and redistributions of CEP funds in the OCE's proposed FY20 true-up budget. (RFC, p.1)

**Rate Counsel's Review of the Proposed FY20 CEP Budget Revisions:**

Rate Counsel reviewed the OCE's proposed revisions. However, as set forth below, more information is needed to fully consider the proposed budget revisions.

**True-up Budget**

In total, it appears that the CEP underspent \$31,768,301 in FY19. As indicated by the OCE, these funds will be carried forward to the FY20 budget. It is unclear from OCE's proposal why the CEP programs were underspent by more than \$30 million, which is approximately 9 percent of the total FY19 CEP budget. Further, the proposed FY20 True-Up Summary does not provide added clarity. (RFC, p. 5) The OCE should provide a brief explanation of the key drivers to the underspending. This supplemental information should examine such potential factors as lower participation rates than projected for programs, delayed projects, or other reasons for the carryover.

**Program Revisions**

The CEP is currently administering its FY20 program year. Based on conclusions from its actual performance, OCE's proposed budget for the CEP shows a net increase in the FY20 program budget of \$31,768,301. The explanations provided by the OCE for the budgetary increases and decreases for the individual subprograms seem reasonable, but it is difficult to draw a definitive conclusion without greater supporting information.

The OCE should provide supporting information for the budget increases and deductions in each affected CEP program, particularly the programs with substantial budgetary impacts. Several of the major revisions are addressed below.

Residential Retrofit. The OCE proposes to decrease the Residential Retrofit program budget by approximately 20 percent. Rate Counsel recommends that the OCE should provide additional supporting information summarizing why the proposed budget is reduced substantially and whether the decrease is related to how the actual program performance compares to the projected performance. It would be useful to know if there are particular energy efficiency (“EE”) measures that are underperforming.

State Facilities Initiatives. Another significant revision to the FY20 budget is a 50 percent increase in State Facilities Initiatives program. Rate Counsel recommends that the OCE provide added detail for this program, including information regarding the number of eligible facilities and the anticipated number of projects.

Electric Vehicles (“EV”). The OCE proposes an additional \$29 million for the EV program beyond the original budget of \$210,000, without any details regarding how the budgeted funds will be spent. A BPU press release dated September 27, 2019 regarding the EV incentive shows that this budget increase refers to a joint effort between Governor Murphy and the Legislature to develop a program to support the purchase and use of EVs and EV infrastructure.<sup>3</sup> Rate Counsel recommends that the OCE provide information regarding the subprograms underlying the \$30 million EV budget. It appears that the funding for the EV subprogram was taken from funds already collected through the Societal Benefits Charge (“SBC”). If not, Rate Counsel would object to any new increase in SBC funding to cover this amount.

Other. For the other CEP program budget revisions, Rate Counsel recommends that the OCE explain any notable inconsistencies between the initial budgeted amounts and actual spending that

---

<sup>3</sup> See New Jersey BPU, “Press Release - NJBPU Takes Critical First Step Toward Establishing an Electric Vehicle Incentive Program,” dated September 27, 2019.

led to an increase or decrease in overall subprogram budget. If any subprogram is under- or over-performing such that a budget revision is necessary, it would be helpful to list the primary reason for the proposed revision.

**Conclusion**


Rate Counsel concludes that the budget revisions proposed by OCE should be supported by additional information regarding actual program performance. While some of the budget revision proposals appear reasonable, generally Rate Counsel cannot definitively determine the reasonableness of the proposed revisions unless more information is provided about the proposed increases or decreases in the budgeted amounts.

Thank you for your consideration of the within comments.

Respectfully submitted,

STEFANIE A. BRAND  
Director, Division of Rate Counsel

By:

  
\_\_\_\_\_  
Kurt S. Lewandowski, Esq.  
Assistant Deputy Rate Counsel

c: [oce@bpu.nj.gov](mailto:oce@bpu.nj.gov)  
[publiccomments@njcleanenergy.com](mailto:publiccomments@njcleanenergy.com)  
Paul E. Flanagan, Esq., BPU  
Sara Bluhm, BPU  
Kelly Mooij, BPU  
Jim Ferris, BPU  
Abe Silverman, Esq., BPU  
Rachel Boylan, Esq., BPU  
Pamela Owen, ASC, DAG

NJ CEP Budget Office:

I am disappointed with the proposed 2020 NJ CEP budget for two reasons:

1. There is \$30,000,000 allocated to electric vehicles. Granted, most EV's are charged at night, but not all. And even so, electric generation in NJ is not that clean. So we are swapping air pollution from vehicles for air pollution from power plants.
2. There is no provisions in here for providing funding for new technologies that can generate power with far lower emissions than NJ's power plants other than the usual suspects of wind and solar. I don't have anything against wind & solar, especially roof mounted solar, but how about leaving the door open for something innovative? Gov. Murphy keeps talking about NJ being the 'innovative' state and I keep seeing 'innovative' used in many agency documents, but the plan provides no funding for innovation. This is empty lip service on the part of the NJ CEP.

Please carve out some funding for innovative forms of power generation which probably should come under the EDA. Consider taking it from the \$30M allocated to EV's, fuel cells (no innovation here for the last 10 years and very expensive, especially on a per kWhr basis) and C&I Buildings (allocated a whopping \$117M+).

My input. The NJ CEP can do better with \$560,000,000+ to work with.

Regards,  
James

James Pfeiffer, CEM  
VP Special Projects  
Green Waste Energy  
[www.GreenWasteEnergy.net](http://www.GreenWasteEnergy.net)  
201-251-3815 office

PS - What are State Energy Initiatives for \$87,000,000+? I thought all of these programs are State Energy Initiatives?

In December 2016 the first of several stakeholder meetings was conducted for the purpose of framing a new Multifamily program for NJCE. Over time (28 months), the Multifamily Design Objectives became crystallized. These were:

- Align program design with strategic direction (across all sectors)
- Simplify participation through consolidated program delivery
- Provide more outreach and assistance
- Eliminate gaps/lost opportunities in the market
- Provide flexibility to meet customer needs
- Streamline program administration and,
- Increase participation and maximize savings per incentive paid.

These are outstanding objectives and our company was quite pleased to provide comments and advice along the way. Moreover, we were thrilled to learn, in May or June of last year that the Program would launch on or about July 1, 2019 after final program guidelines were published and about \$8,000,000 was allocated in the fiscal year 2020 budget to fund it. However, this program was neither launched nor has any rational explanation provided to date as to why not.

Nationally recognized experts have stated the “Best in Class” energy efficiency programs in the country have a multifamily component and that multifamily programs are proliferating. At the same time, NJNG asked to begin a MF program for their service territory, similar to PSE&G’s, where we have a concentration of properties, but were denied.

Thus, we object to moving \$3,000,000 out of the Multifamily Energy Efficiency Program at this time and ask for the Program to start at the earliest possible date. We can assure you that we’ll be the first customer knocking on the door.

Very Truly Yours,

**Bill Palmer**

Sr. Director, Energy Management  
**The Energy Consulting Group**  
**A Division of the Kamson Corporation**  
270 Sylvan Avenue  
Englewood Cliffs, NJ 07632  
201-227-2288 (Direct)

Matthew M. Weissman  
Managing Counsel – State Regulatory

Law Department  
80 Park Plaza, T-5G, Newark, New Jersey 07102-4194  
Tel: 973.430.7052 fax: 973.430.5983  
Email: Matthew.Weissman@pseg.com



December 20, 2019

**Via E-mail (publiccomments@njcleanenergy.com)**

Aida Camacho-Welch, Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350

**IN THE MATTER OF THE COMPREHENSIVE ENERGY EFFICIENCY AND  
RENEWABLE ENERGY RESOURCE ANALYSIS FOR FISCAL YEAR 2020 CLEAN  
ENERGY PROGRAM - Docket No. QO19050644**

**-and-**

**IN THE MATTER OF THE CLEAN ENERGY PROGRAMS AND BUDGET  
FOR THE FISCAL YEAR 2020 - Docket No. QO19050645**

Dear Secretary Camacho-Welch:

Please accept this correspondence on behalf of Public Service Electric and Gas Company (“PSE&G” or the “Company”) in connection with the above-referenced matters. PSE&G submits these comments in response to the New Jersey Clean Energy Program’s (“NJCEP”) Proposed Revised Budget, which was included with the Office of Clean Energy’s (“OCE”) December 9, 2019 public notice. The Company appreciates the opportunity to provide these comments.

As an initial matter, as noted in the Company’s June 11, 2019 written comments on the proposed NJCEP budget, PSE&G recommends that the OCE sunset its energy efficiency programs, and the Board of Public Utilities direct the utilities to become the primary providers of regulated energy efficiency programs. PSE&G’s Clean Energy Future – Energy Efficiency filing proposed a transition plan in which the Company would work collaboratively with the OCE over the course of a 12-month period to effectuate the transition of energy efficiency programs.

With respect to the Proposed Revised Budget, it seeks to increase the budget for six OCE programs and initiatives, most notably the Electric Vehicle program, by nearly \$30 million. However, it provides no indication as to how the OCE intends to spend this additional funding. The OCE should provide this information so that stakeholders can better assess the proposed increases and there is greater transparency around the NJCEP. Moreover, to the extent the new budget for the Electric Vehicle program seeks to provide rebates towards the cost of charging infrastructure, such incentives are better suited for the utilities to provide given their ubiquitous



access to all customers and expertise in operating the electric grid. PSE&G's Clean Energy Future – Electric Vehicle and Energy Storage filing demonstrates how electric utilities can support the widespread adoption of electric vehicles across multiple transportation modes and sectors in New Jersey.

With respect to the proposed increase in funding for the OCE's State Facilities program, PSE&G commends the OCE for striving to deliver energy efficiency to government buildings in need of upgrades. PSE&G looks forward to partnering with the State on delivering these energy savings in the future. Furthermore, for transparency purposes, it is important that the OCE for all of its energy efficiency initiatives provide periodic reports listing the energy savings they achieve, as well as cost-benefit analyses using traditional energy efficiency tests. For the State Facilities program, the OCE's reporting should also include information such as project locations, types of projects, and costs.

PSE&G again thanks the Board for the opportunity to submit these comments.

Respectfully submitted,

By: s/ Matthew M. Weissman

Matthew M. Weissman  
PSEG Services Corporation  
80 Park Plaza, T5  
Newark, NJ 07102  
(973) 430-7052  
Matthew.Weissman@pseg.com