



February 11, 2019

REQUEST FOR COMMENTS

Proposed Revision to FY19 NJCEP Budget (Staff-Authorized)

BACKGROUND AND PROCESS

By Order dated February 4, 2014, the Board authorized its Staff to revise NJCEP budgets so long as certain conditions are met. Specifically, the Board authorized Staff to revise NJCEP budgets within a given Funding Category, such as Energy Efficiency (EE), Renewable Energy, etc., so long as the reallocation would not reduce any Program's Budget by more than 10%.

The Order requires Staff to provide a written notice to each Commissioner at least seven (7) days prior to implementing any budget revision, which notice Staff has provided for these proposed revisions. In addition, the Order requires that notice and an opportunity to comment be provided before any budget revision is implemented, which requirement is satisfied by the issuance of this request for comments.

PROPOSED BUDGET REVISIONS

During FY19, the Local Government Energy Audit ("LGEA") Program has experienced an unexpected increase in participation rates and has received requests for audits from numerous large facilities with multiple buildings. As a result, projects in the program pipeline would exhaust the budget and the program would be prohibited from approving any additional audits. Accordingly, Board Staff proposes to increase the LGEA Program budget by \$1,000,000, which would provide the Program with the funds Staff expects to be sufficient to support the now-expected demand through the end of FY19.

The C&I Buildings Program has experienced lower than expected participation and demand in FY19. Accordingly, Board Staff proposes to decrease the C&I Buildings Program budget by \$1,000,000. Board Staff anticipates that the Program will have sufficient funds to continue normal operations through the end of FY19. The proposed increases and decreases would occur within the Rebates, Grants, and Other Direct Incentives cost category.

The following tables show the current Board-approved budget, the proposed revisions to that budget, and the resultant budget. No other budget revisions have been approved by Board Staff during FY19 for these programs.

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<i>Current Board Approved FY19 Budget by Cost Category</i>							
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
C&I Buildings	\$112,445,000.00	\$5,567,708.41	\$234,756.16	\$145,500.00	\$103,675,044.81	\$2,821,990.62	\$0.00
LGEA	\$3,800,000.00	\$882,487.12	\$39,126.01	\$49,000.00	\$2,459,928.17	\$369,458.70	\$0.00
<i>Proposed Revisions</i>							
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
C&I Buildings	(\$1,000,000.00)				(\$1,000,000.00)		
LGEA	\$1,000,000.00				\$1,000,000.00		
<i>Resultant Revised FY19 Budget by Cost Category</i>							
<i>Program/Budget Line</i>	<i>Total Budget</i>	<i>Administration</i>	<i>Sales, Marketing, Website</i>	<i>Training</i>	<i>Rebates, Grants and Other Direct Incentives</i>	<i>Rebate Processing and QA</i>	<i>Evaluation</i>
C&I Buildings	\$111,445,000.00	\$5,567,708.41	\$234,756.16	\$145,500.00	\$102,675,044.81	\$2,821,990.62	\$0.00
LGEA	\$4,800,000.00	\$882,487.12	\$39,126.01	\$49,000.00	\$3,459,928.17	\$369,458.70	\$0.00

PROCESS AND SCHEDULE FOR SUBMITTING COMMENTS

Staff is requesting comments on the Proposed Budget Revisions. Comments regarding the foregoing should be submitted to publiccomments@njcleanenergy.com by 5 pm on February 19, 2019 under the subject heading “Request for Comments - Proposed Revisions to FY19 NJCEP Budget.”