



Chris Christie  
Governor

Kim Guadagno  
Lt. Governor

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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Kristi Izzo  
Secretary of the Board  
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**NOTICE<sup>1</sup>**

**IN THE MATTER OF COMPREHENSIVE ENERGY EFFICIENCY AND RENEWABLE  
ENERGY RESOURCE ANALYSIS FOR 2009-2010: 2010 PROGRAMS AND BUDGETS:  
COMPLIANCE FILINGS – REVISIONS TO PREVIOUSLY APPROVED BUDGET**

DOCKET NO. EO07030203

Pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., the New Jersey Board of Public Utilities is giving notice of a Public Hearing on March 25, 2010 from 2:30 p.m. to 6:30 p.m. in the Department of Environmental Protection Hearing Room located at 401 East State Street, Trenton, NJ 08625. President Lee Solomon will preside.

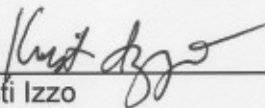
At this hearing, the Board will provide an opportunity for stakeholder input on proposed revisions to the New Jersey Clean Energy Program (NJCEP) programs and budgets for 2010.

The Board of Public Utilities approved 2010 budgets and programs for the New Jersey Clean Energy Program on December 16, 2009. On February 10, 2010, Governor Christie issued Executive Order 14, in which he announced that the projected budget shortfall for Fiscal Year 2010 exceeded \$2.2 billion and declared a state of fiscal emergency. The Department of Treasury was directed to immediately identify and place into reserve items of appropriation to ensure that the State's budget remains balanced. Among the items identified and placed into reserve is \$158 million from the New Jersey Clean Energy Trust Fund.

The funding placed into reserve had been allocated among the 2010 NJCEP programs and budgets approved by the Board. Implementation of Executive Order 14 thus requires the Board to revise the 2010 programs and budgets of the New Jersey Clean Energy Program to reflect the loss of this funding.

The Office of Clean Energy has developed the attached Straw Proposal of proposed budget revisions and program changes as a starting point for discussions. The Straw Proposal will be posted at [www.njcleanenergy.com/budgetstrawproposal](http://www.njcleanenergy.com/budgetstrawproposal).

All comments should be submitted in pdf or Word format to [OCE@bpu.state.nj.us](mailto:OCE@bpu.state.nj.us). **The comment period will end at 5:00 p.m. on March 25, 2010.** All comments will be posted to the NJCEP website at the end of the comment period.

  
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Kristi Izzo  
Secretary of the Board

Dated: March 18, 2010

<sup>1</sup> Persons interested in attending the above Meeting who require special accommodations should contact the Office of the Secretary of the Board at (973) 648-3426 at least three (3) days prior to the Meeting date so that appropriate arrangements can be made.

## **OCE Straw Proposal Related to NJCEP 2010 Budget Modifications**

**March 18, 2010**

By Executive Order 14 (EO 14), Governor Christie declared a fiscal emergency in the State of New Jersey. The Governor therefore ordered the Director of the Division of Budget and Accounting within Treasury to identify and place into reserve funds sufficient to ensure that the State budget would remain in balance. On that authority, Treasury placed \$158 million (M) of the Clean Energy Trust Fund into reserve. Because those funds were previously a part of the New Jersey Clean Energy Program (NJCEP) 2010 budget, implementation of this Executive Order will require the Board to modify the 2010 NJCEP budget to align the budget with currently available funds.

By Order dated December 16, 2009, the Board approved the 2010 budget for the NJCEP. The Board approved an overall budget of approximately \$555 M which included carryover of unspent funds from previous years as well as anticipated new funding of \$269 M which was approved by the Board in an Order dated September 30, 2008. The 2010 budget includes funds to pay rebate and other commitments made by the Program in 2008 and 2009 which are currently estimated at \$202 M and will be paid in 2010 through 2012.

The Board establishes annual budgets based on estimates of expenses for the previous year. Once actual expenses are known, the Board has historically issued a revised budget Order to true up any differences between actual and estimated expenses. Calendar year 2009 actual expenses are now known and are approximately \$61 M below estimated 2009 expenses. The budget true up results in an additional \$61 M in funds that are available for allocation to the NJCEP which will partially offset the budget reductions needed to implement EO 14. The revised budgets shown below reflect both the true up between actual and estimated 2009 expenses and the budget reservation which results in a reduction to the previously approved NJCEP 2010 budget of approximately \$97 M.

The NJCEP offers incentives to utility customers to invest in energy efficiency and renewable energy technologies. Program participation rates are driven by both the level of the incentives and other factors outside the control of the program such as the state of the economy, the state of the new construction marketplace, and weather which can impact air conditioning and heating system sales. The Office of Clean Energy (OCE), in coordination with the Program Coordinator and the Market Managers, continually monitors program participation rates and expenses versus program budgets. Programs are adjusted on an ongoing basis to keep expenses within budgets. Rebate levels for some programs have recently been increased while rebates for other programs have been decreased to reflect program participation levels and other factors.

The table below shows the initial 2010 NJCEP budget approved by the Board and the revised level of funding available after adjusting for both estimated versus actual 2009 expenses and reducing the budgets by \$158 M:

### Revised 2010 Funding Levels

	2010 Budget From 12/17/09 Board Order	Additional Carryover	Additional EDA Interest and Loan Repayments	Initial 2010 Budget Plus Additional Carry Over	Budget Reductions	Revised 2010 Funding Levels	Committed Expenses	Revised 2010 Budget Less Commitments
	(a)	(b)	(c)	(d)=(a)+(b)+(c)	(e)	(f)=(d)+(e)	(g)	(h)=(f)-(g)
Energy Efficiency Programs	\$315,347,082.98	\$8,540,165.11	\$0.00	\$323,887,248.08	(\$60,823,016.34)	\$263,064,231.74	\$67,597,604.24	\$195,466,627.50
Renewable Energy Programs	\$131,117,770.84	\$45,950,005.21	\$579,946.00	\$177,647,722.05	(\$46,579,525.99)	\$131,068,196.06	\$101,103,230.00	\$29,964,966.06
OCE Oversight	\$14,286,667.38	\$2,001,549.98	\$0.00	\$16,288,217.36	(\$7,734,168.63)	\$8,554,048.73	\$481,036.02	\$8,073,012.71
State Agency Managed Programs	\$94,140,914.00	\$5,198,289.04	\$0.00	\$99,339,203.04	(\$42,863,289.04)	\$56,475,914.00	\$32,635,313.00	\$23,840,601.00
<b>Total</b>	<b>\$554,892,435.19</b>	<b>\$61,690,009.34</b>	<b>\$579,946.00</b>	<b>\$617,162,390.53</b>	<b>(\$158,000,000.00)</b>	<b>\$459,162,390.53</b>	<b>\$201,817,183.26</b>	<b>\$257,345,207.27</b>

In this Straw Proposal the OCE proposes revised 2010 program budgets that align with the funding levels shown in the table above. This Straw Proposal includes tables below that show the initial 2010 program budgets approved by the Board, proposed modifications to those budgets and proposed changes to the programs and/or incentive levels. A brief description of each program is also provided. A more detailed description of each program is set forth in the Board's 2010 NJCEP budget Order and the 2010 NJCEP compliance filings which are posted on the website at: [www.njcleanenergy.com](http://www.njcleanenergy.com)

The OCE believes that the revised budgets set out below will require consideration of deferral or elimination of new programs that have not yet been implemented, reductions to some program budgets and changes to some program incentives. The Straw Proposal is intended as a starting point for discussions. The Board has scheduled a public hearing to solicit input from all interested entities regarding the proposed budget modifications and program changes set out herein.

Based on principles set out in the Electric Discount and Energy Competition Act and past Board orders, the NJCEP has generally looked to maximize the impact on jobs creation and retention, energy savings, clean energy generation and environmental benefits. Taking these principles into consideration, the OCE utilized the following principals in developing its proposed budget modifications and program changes:

1. Honor all existing rebate commitments.
2. Reduce or eliminate NJCEP administrative costs across the board.
3. Defer or eliminate new programs/initiatives that have not been implemented to date.
4. Reduce/defer/eliminate new grant programs and new solicitations.
5. Update/scrub existing program commitments to eliminate any projects no longer under development.
6. Minimize changes to "whole building" programs. The Home Performance with Energy Star program has experienced considerable growth in the past few months and the OCE desires to continue this momentum. Therefore, OCE has proposed an increase to the budget for this program.
7. Maintain sufficient budgets to continue all existing programs.



The following tables show proposed budget modifications followed by a brief description of proposed program changes:

*EE Programs*

**Proposed Revisions to 2010 Energy Efficiency Program Budgets**

	Board Approved 2010 Budget	Additional Carry Over	Line Item Transfer	Budget Reductions	Revised 2010 Budget	Commitments as of 2/12/10	Revised 2010 Budget Less Commitments
Programs	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(g)	(h)
<b>Residential EE Programs</b>							
Residential HVAC - Electric & Gas	\$20,187,081.93	(\$108,468.49)	\$0.00	(\$5,151,201.44)	\$14,927,412.00	\$0.00	\$14,927,412.00
Residential New Construction	\$31,453,881.12	\$863,757.78	\$0.00	(\$10,378,747.90)	\$21,938,891.00	\$14,019,300.00	\$7,919,591.00
Energy Efficient Products	\$28,653,608.08	(\$5,203,657.33)	\$0.00	(\$1,448,572.75)	\$22,001,378.00	\$0.00	\$22,001,378.00
Home Performance with Energy Star	\$42,124,569.88	\$4,497,597.95	\$0.00	\$4,012,413.08	\$50,634,580.92	\$19,991,000.00	\$30,643,580.92
Community Partners Initiative	\$2,397,494.01	\$450,000.00	\$0.00	(\$1,854,862.01)	\$992,612.00	\$0.00	\$992,612.00
Residential Marketing	\$4,675,834.75	\$268,203.23	\$0.00	(\$1,539,008.98)	\$3,405,029.00	\$0.00	\$3,405,029.00
<b>Sub Total Residential</b>	<b>\$129,492,469.77</b>	<b>\$767,433.15</b>	<b>\$0.00</b>	<b>(\$16,360,000.00)</b>	<b>\$113,899,902.91</b>	<b>\$34,010,300.00</b>	<b>\$79,889,602.91</b>
<b>Residential Low Income</b>							
Comfort Partners	\$31,123,620.38	(\$1,922,945.93)	\$0.00	\$0.00	\$29,200,674.45	\$0.00	\$29,200,674.45
<b>Sub Total Low Income</b>	<b>\$31,123,620.38</b>	<b>(\$1,922,945.93)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$29,200,674.45</b>	<b>\$0.00</b>	<b>\$29,200,674.45</b>
<b>C&amp;I EE Programs</b>							
C&I New Construction	\$9,300,000.00	\$813,711.71	\$0.00	(\$4,800,000.00)	\$5,313,711.71	\$3,737,854.00	\$1,575,857.71
C&I Retrofit	\$25,539,083.00	\$2,052,684.89	\$0.00	\$0.00	\$27,591,767.89	\$14,000,000.00	\$13,591,767.89
Pay-for-Performance New Construction	\$12,437,215.85	\$541,944.09	\$0.00	(\$8,013,016.34)	\$4,966,143.60	\$0.00	\$4,966,143.60
Pay-for-Performance	\$62,315,345.58	\$2,132,060.80	\$0.00	(\$17,018,437.64)	\$47,428,968.74	\$2,655,150.00	\$44,773,818.74
CHP	\$8,229,422.00	\$473,742.24	\$0.00	(\$3,300,000.00)	\$5,403,164.24	\$5,403,164.24	\$0.00
Local Government Energy Audit	\$14,987,442.00	\$2,701,288.90	\$0.00	(\$6,000,000.00)	\$11,688,730.90	\$4,991,136.00	\$6,697,594.90
Direct Install	\$17,695,999.00	\$475,000.00	\$0.00	(\$3,000,000.00)	\$15,170,999.00	\$2,000,000.00	\$13,170,999.00
TEACH	\$1,550,000.00	\$161,977.50	\$0.00	(\$400,000.00)	\$1,311,977.50	\$800,000.00	\$511,977.50
Marketing	\$1,630,000.00	\$8,190.80	\$0.00	(\$550,000.00)	\$1,088,190.80	\$0.00	\$1,088,190.80
Business Conference	\$1,046,485.40	\$335,076.96	\$0.00	(\$1,381,562.36)	\$0.00	\$0.00	\$0.00
<b>Sub Total C&amp;I</b>	<b>\$154,730,992.83</b>	<b>\$9,695,677.89</b>	<b>\$0.00</b>	<b>(\$44,463,016.34)</b>	<b>\$119,963,654.38</b>	<b>\$33,587,304.24</b>	<b>\$86,376,350.14</b>
<b>Total Energy Efficiency</b>	<b>\$315,347,082.98</b>	<b>\$8,540,165.11</b>	<b>\$0.00</b>	<b>(\$60,823,016.34)</b>	<b>\$263,064,231.74</b>	<b>\$67,597,604.24</b>	<b>\$195,466,627.50</b>

## Energy Efficiency Program Summary

<b>Residential HVAC - Electric &amp; Gas</b>	Rebates for furnaces, boilers, HW heaters and central AC - Tiered program increases rebate value based on increased efficiency. Linked to some Utilities' E3 programs.
<b>Residential New Construction</b>	Rebates to developers and home owners to build homes more efficient than energy code- 3 tiered program increases rebate value based on increased efficiency.
<b>Energy Efficient Products</b>	Rebates for energy efficient products -Energy Star - Linked to SEEARP.
<b>Home Performance with Energy Star</b>	Rebates to home owner to increase the efficiency of existing homes - subsidized audit and tiered program rebates based on increased energy savings. Also includes zero interest loan in some cases funded by the Utilities.
<b>Community Partners Initiative</b>	Provides incentives to community groups and municipalities to help co-brand, promote and advance NJCEP including Sustainable Jersey Grant.
<b>Comfort Partners</b>	All cost effective EE upgrades performed by Utilities - All utilities except Rockland coordinate to manage this program - Funds are netted before payment of monthly SBC by Utilities.
<b>C&amp;I New Construction</b>	Smart Start rebates to C& I customer for new construction.
<b>C&amp;I Retrofit</b>	Smart start rebate for existing buildings for C&I customers.
<b>Pay-for-Performance New Construction</b>	New Program for large C&I customers with a peak load GT 200 kW delivered by NJCEP Partners trained in PfP program - significant incentives for Energy Reduction Plan documenting at min 15% energy savings over code for new construction- Fund ERP and incentive over 3 years.
<b>Pay-for-Performance</b>	New Program for large C&I customers with a peak load of GT 200 kW delivered by NJCEP Partners trained in PfP program - significant incentives for Energy Reduction Plan documenting at min 15% energy savings for existing C&I buildings new construction- Fund ERP and incentive over 3 years.
<b>CHP</b>	Existing contracts for grants for CHP.
<b>Local Government Energy Audit</b>	State term contract - provides 100% rebate to perform energy audits -Linked to EECBG rebates for non formula local governments.
<b>Direct Install</b>	New Program for small business C&I customers with peak loads LT 200 kW delivered by TRC subs - rebates for equipment for up to 80% of cost - set price list.
<b>TEACH</b>	Provides in-depth energy audit and district wide outreach and educational support to implement and track energy audit.
<b>Business Conference</b>	NJCEP annual Clean Energy Conference.

## *Proposed EE Program Revisions*

### **HVAC**

- Eliminate Contractor Participation incentive (\$100)
- Eliminate Creatives and Co-op Advertising
- Reduce QIV participants from 3,262 to 750
- Eliminate duct pilot implementation
- Reduce Solar Electric participants from 400 to 100
- Eliminate Non-HVAC Processing item
- Reduce contractor support from \$15,667.00 to \$9,200.10 per month
- Reduce R&D from \$556,200.00 to \$147,003.00.

### **Residential New Construction**

- Reduce Tier 2 and 3 project estimate by 500 units
- Reduce Tier 1 SF incentive from \$2,500 to \$1,800
- Increase Tier 1 MF incentive from \$700 to \$1,000
- Reduce total average incentive for Tier 3 from \$25,000 to \$18,000
- Reduce R&D from \$365,132.00 to \$262,418.00

### **Energy Efficient Products**

- Reduce CFL budget from \$7M to \$5M
- Reduce total consumer electronics initiative to \$1,500,000 and spread across consumer electronics offerings
- Remove pool pumps and timers, and new product development administration
- Remove O-Power project
- Cap appliances at current commitment levels (TVs -15,485, Monitors - 5257, Desktops - 150)
- Zero out contingency
- Eliminate Pool Pump development
- Reduce washing machine incentive from \$75 to \$50

### **Home Performance with Energy Star**

- Revert back to the customer incentives cap of \$5,000
- Remove income qualified incentive at 75%. This customer class is eligible for 50% incentive.
- Remove Tier 2, require air sealing in Tier 3
- Reduce contractor audit incentive from \$175.00 to \$100.00
- Reduce contractor incentive from \$1,400 to \$1,000
- Eliminate contractor subsidies associated for BPI Accreditation and tools.
- Eliminate customer coupons for CFLs
- Coordinate with NJN to pay T2 & T3 incentive to participants in their service territory (\$5M)
- Implement a new multifamily building incentive structure

- Multifamily buildings are defined as those with five or more units in a single building, or multiple buildings (each with five or more units) within a single geographic boundary and with a single property management structure but no more than 3-story high and with no elevator in the building.
- Incentives structure is as follows:
  - \$5,000 cap on 1<sup>st</sup> unit
  - \$3,000 cap on units 2-5
  - \$1,000 cap for all units thereafter

#### **Community Partners Initiative**

- Remove Whole Community Pilot administration and incentives
- Reduce existing incentives from \$500,000 to \$100,000

#### **Residential Marketing**

- Eliminate ad hoc events
- Eliminate variable contingencies
- Scale back travel, event planning and execution, press releases, print, radio & television advertising and printed materials.

#### **Low-Income Program**

- The OCE is not proposing any changes to the utility low-income Comfort Partners program other than a small reduction to the program budget.

#### **C&I New Construction**

- New construction activity has seen a slow down under the current economic conditions. The proposed budget is sufficient to meet anticipated program participation levels.

#### **C&I Retrofit**

- The proposed budget is sufficient to meet anticipated program participation levels.

#### **Pay for Performance New Construction**

- Eliminate the doubling of incentives for certain customer classes
- Eliminate doubling the cap for certain customer classes

#### **Pay for Performance**

- Eliminate the doubling of incentives for certain customer class
- Eliminate doubling the cap for certain customer classes

#### **CHP**

- This program is closed to new participants. Proposed budget is sufficient to pay existing commitments.

#### **Local Government Energy Audit**

- Cap reduced to \$100,000 per customer, year, regardless of size/# of buildings.



**Direct Install**

- Institute an entity cap of \$250,000 per year
- Institute a project cap of \$40,000 per project (\$100,000 per project for local government entities)

**TEACH**

- Reduce the quantity of schools to be served by 100
- Eliminate planned program evaluation activities
- Eliminate second energy education contractor

**C&I Marketing**

- Reduce variable contingency
- Eliminate promotional items budget
- Reduce paid media budget:
  - Eliminate outdoor budget
  - Eliminate radio budget
  - Eliminate television/video/PSA
  - Reduce electronic display/association newsletter budget
  - Reduce print media budget

**Clean Energy Conference**

- Eliminate 2010 Clean Energy Conference.

In addition to the changes noted above, the OCE is proposing utilization of ARRA funding for ARRA program administration costs and certain appliance rebates which will free up additional NJCEP funding for other purposes.

*Renewable Energy Programs*

**Proposed Revisions to 2010 RE Budgets**

	Board Approved 2010 Budget	Additional Carry Over	Line Item Transfers	Budget Reductions	Revised 2010 Budget	Commitments as of 2/12/10	Revised 2010 Budget Less Commitments
<b>Programs</b>	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(g)	(h)
Customer On-Site Renewable Energy	\$46,883,993.67	\$39,575,186.32	\$0.00	(\$15,213,760.99)	\$71,245,419.00	\$71,245,419.00	\$0.00
Clean Power Choice	\$83,009.22	\$40,551.16	\$0.00	(\$80,000.00)	\$43,560.38	\$0.00	\$43,560.38
Renewable Energy Incentive Program	\$83,449,003.45	\$6,253,223.49	\$0.00	(\$31,000,000.00)	\$58,702,226.94	\$29,857,811.00	\$28,844,415.94
RE Marketing	\$701,764.50	\$81,044.24	\$0.00	(\$285,765.00)	\$497,043.74	\$0.00	\$497,043.74
<b>SUB-TOTAL Renewables</b>	<b>\$131,117,770.84</b>	<b>\$45,950,005.21</b>	<b>\$0.00</b>	<b>(\$46,579,525.99)</b>	<b>\$130,488,250.06</b>	<b>\$101,103,230.00</b>	<b>\$29,385,020.06</b>



### Renewable Energy Program Summary

Customer On-Site Renewable Energy	This program is closed – budget is for existing rebate commitments only.
Clean Power Choice	Voluntary program for customers to support renewable through the purchase of additional RECs - Program only funds CPC registration.
Renewable Energy Incentive Program	Rebates for onsite RE projects solar, wind and biomass - Includes management of SREC registration program.

#### *Proposed RE Program Revisions*

#### **CORE**

- The revised CORE program budget reduction reflects projects that have been cancelled/scrubbed.

#### **REIP**

- Reduce the new funding for REIP commitments by \$31.0 million through the following:
  - Residential solar: Reduction of \$7.8 M achieved by reducing this budget from \$30.0 M to \$22.2 M. As a result funding cycle (FC) 1= \$10.0 M, FC2=\$6.1 M, FC3=\$6.1 M.
  - Non Residential solar: Reduction of \$6.0 M achieved by reducing this budget from \$13.4 M to \$7.4 M. As a result FC1= \$4.5 M, FC2=\$1.5 M, FC3=\$1.4 M.
  - Wind and Biopower: Combine these two separate budget categories into one budget and reduce funding by \$16.7 M achieved by reducing the combined budget from \$21.2 M to \$4.5 M with a soft cap to review if it looks like one technology will reserve more than \$3.5 M of the available budget.
  - As a result of these budget reductions it is anticipated that the Market Manager administration fees for REIP will be reduced by approximately \$500K.
- Lower the REIP solar incentive levels effective with Funding Cycle 2 which commences on May1, 2010 as follows:
  - Solar residential from \$1.75/Watt (meeting EE requirement) to \$1.35/ Watt.
  - Solar non residential from \$1.00/Watt (meeting EE requirement) to \$.80/ Watt.
  - Since the above reductions incorporate the capacity block reduction that would have occurred at 20 MW of approved solar residential and 20 MW approved solar non residential projects, the next capacity block reduction will be determined at a future date.
- Eliminate the HPwES and C&I audit requirement to qualify for full solar incentive level. This will have some effect on the REIP program and will provide a significant decrease in the demand for HPwES funds.

#### **RE Marketing**

- Reduce RE Marketing budget by \$366,809.24.

EDA/CST/HMFA Programs

**Proposed Revisions to 2010 EDA/CST/HMFA Program Budgets**

	Board Approved 2010 Budget	Additional Carry Over	Line Item Transfer	Budget Reductions	Revised 2010 Budget	Commitments as of 2/12/10	Revised 2010 Budget Less Commitments
Programs	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(g)	(h)
Special Studies	\$777,801.00	\$100,000.00	\$0.00	\$0.00	\$877,801.00	\$872,000.00	\$5,801.00
Cool Cities	\$0.00	\$863,289.04	\$0.00	(\$863,289.04)	\$0.00	\$0.00	\$0.00
Offshore Wind	\$13,870,253.00	\$0.00	\$0.00	\$0.00	\$13,870,253.00	\$13,870,253.00	\$0.00
Renewable Energy Program: Grid Connected (Formerly REDI)	\$16,201,605.00	\$0.00	\$0.00	(\$10,000,000.00)	\$6,201,605.00	\$0.00	\$6,201,605.00
RE Project Grants and Financing	\$894,714.00	\$390,000.00	\$0.00	\$0.00	\$1,284,714.00	\$894,714.00	\$390,000.00
EDA Renewable Energy Business Venture Financing/REED	\$870,890.00	\$260,000.00	\$0.00	\$0.00	\$1,130,890.00	\$1,122,903.00	\$7,987.00
EDA Clean Energy Manufacturing and Green Growth Fund	\$43,160,651.00	\$1,000,000.00	\$0.00	(\$17,000,000.00)	\$27,160,651.00	\$12,882,000.00	\$14,278,651.00
CST Edison Innovation Clean Energy Fund	\$6,365,000.00	\$2,585,000.00	\$0.00	(\$3,000,000.00)	\$5,950,000.00	\$2,993,443.00	\$2,956,557.00
HMFA EE Mortgages	\$5,000,000.00	\$0.00	\$0.00	(\$5,000,000.00)	\$0.00	\$0.00	\$0.00
HMFA Solar Loan Program	\$7,000,000.00	\$0.00	\$0.00	(\$7,000,000.00)	\$0.00	\$0.00	\$0.00
<b>SUB-TOTAL EDA Programs</b>	<b>\$94,140,914.00</b>	<b>\$5,198,289.04</b>	<b>\$0.00</b>	<b>(\$42,863,289.04)</b>	<b>\$56,475,914.00</b>	<b>\$32,635,313.00</b>	<b>\$23,840,601.00</b>

**State Entity Program Summary**

Special Studies	Existing contracts for Green Jobs living lab training
Cool Cities	MOU with NJDEP to fund tree planting in urban cities - not funded in 2010.
Offshore Wind	Rebate commitments in place through 12/10 to construct 3 OSW met towers.
Renewable Energy Program: Grid Connected (Formerly REDI)	Current solicitation just closed - several proposed projects GT \$6M budget - Proposed second open solicitation for 2010 to be deferred.
RE Project Grants and Financing	Existing contracts - performance grant assistance for large scale RE projects.
EDA Renewable Energy Business Venture Financing/REED	Existing contracts - recoverable grant assistance to commercialize and develop NJ RE businesses.
EDA Clean Energy Manufacturing and Green Growth Fund	New Grant/loan program up to \$3.3 M per company to assist in for commercializing NJ RE/EE businesses. Currently 3 projects approved and open solicitation for \$12M. New Green growth fund to help capitalize new or expanded NJ EE/RE businesses and a transition program from CST to EDA.
CST Edison Innovation Clean Energy Fund	New Grant program for assistance for NJ companies in developing NJ EE and RE products. Currently 6 projects approved.
HMFA EE Mortgages	New Program with HMFA to develop an energy efficiency mortgage product.
HMFA Solar Loan Program	Loan program for solar for HMFA properties - low income single family homes based on SREC.

*Proposed Revisions to State Entity Programs*

**HMFA EE Mortgage Program**

- Eliminate funding for HMFA EE Mortgages. This program has not yet been implemented and the OCE recommends putting this program on hold for now.

**EDA and CST Programs**

- The OCE proposes that no new funding be forwarded to EDA or CST in 2010
  - Use carry over funding for new grants for EDA Manufacturing Fund and CST Edison Innovation Fund projects
  - Eliminate new funding for Green Growth fund and Wrap Around program which have not yet been implemented

**HMFA Solar Loan Program**

- Eliminate NJCEP funding for HMFA Solar Loan program, continue ARRA funding for this program.

OCE Oversight

**Proposed Revisions to 2010 OCE Oversight Budget**

	Board Approved 2010 Budget	Additional Carry Over	Line Item transfers	Budget Reductions	Revised 2010 Budget	Commitments as of 2/12/10
	(a)	(b)	(c)	(d)	(e)=(a)+(b)+(c)+(d)	(g)
<b>Administration and Overhead</b>						
OCE Staff and Overhead	\$2,175,934.26	\$856,771.09		(\$1,499,977.75)	\$1,532,727.60	
Program Coordinator	\$2,400,000.00	\$89,502.25		(\$200,022.25)	\$2,289,480.00	
<b>Memberships-Dues</b>						
Northeast Energy Efficiency Partnership Sponsorship including EMV Regional Protocol Forum	\$568,692.00	\$297,608.00		(\$550,000.00)	\$316,300.00	\$300,000.00
Clean Energy States Alliance	\$175,000.00	\$109,114.00		(\$150,000.00)	\$134,114.00	
Consortium for Energy Efficiency	\$133,817.00	\$0.00		\$0.00	\$133,817.00	
National Association of State Energy Officials and ACORE	\$15,000.00	\$13,500.00		(\$28,500.00)	\$0.00	
National Association of Regulatory Utility Commissioners	\$5,000.00	\$5,000.00		(\$10,000.00)	\$0.00	
USGBC/Other Memberships	\$30,000.00	\$30,000.00		(\$60,000.00)	\$0.00	
<b>Sub-Total: Administration and Overhead</b>	<b>\$5,503,443.26</b>	<b>\$1,401,495.34</b>	<b>\$0.00</b>	<b>(\$2,498,500.00)</b>	<b>\$4,406,438.60</b>	<b>\$300,000.00</b>
<b>Evaluation and Related Research</b>						
Rutgers-CEEP	\$507,484.37	\$105,657.49		(\$200,000.00)	\$413,141.86	
Impact Evaluation	\$0.00	(\$3,000.00)	\$3,000.00	\$0.00	\$0.00	
Funding Reconciliation	\$100,350.00	\$13,365.00		(\$80,000.00)	\$33,715.00	
O&M Scoping Study/Online Academy	\$300,000.00	\$150,000.00		\$0.00	\$450,000.00	
Other Studies	\$69,131.20	\$138,806.40		(\$150,000.00)	\$57,937.60	
Program Evaluation	\$2,870,000.00	\$144,779.65	(\$3,000.00)	(\$1,200,000.00)	\$1,811,779.65	
Northeast Energy Efficiency Partnership Scoping Study	\$0.00	\$0.00		\$0.00	\$0.00	
Financial Audits	\$1,000,000.00	\$0.00		(\$200,000.00)	\$800,000.00	
Green Jobs and Building Code Training	\$1,500,000.00	\$0.00		(\$1,100,000.00)	\$400,000.00	
University Clean Technology Demonstration Projects	\$1,500,000.00	\$0.00		(\$1,500,000.00)	\$0.00	
<b>Sub-Total: Evaluation and Related Research</b>	<b>\$7,846,965.57</b>	<b>\$549,608.54</b>	<b>\$0.00</b>	<b>(\$4,430,000.00)</b>	<b>\$3,966,574.11</b>	<b>\$0.00</b>
<b>Marketing and Communications</b>						
Energy Savings Campaigns	\$0.00	\$8,081.72		(\$8,081.72)	\$0.00	
Web Site	\$267,586.91	\$0.00		(\$267,586.91)	\$0.00	
Outreach and Education/Community Partner Grants	\$668,671.64	\$42,364.38		(\$530,000.00)	\$181,036.02	\$181,036.02
<b>Sub-Total: Marketing and Communications</b>	<b>\$936,258.55</b>	<b>\$50,446.10</b>	<b>\$0.00</b>	<b>(\$805,668.63)</b>	<b>\$181,036.02</b>	<b>\$181,036.02</b>
<b>TOTAL: Administration</b>	<b>\$14,286,667.38</b>	<b>\$2,001,549.98</b>	<b>\$0.00</b>	<b>(\$7,734,168.63)</b>	<b>\$8,554,048.73</b>	<b>\$481,036.02</b>



### OCE Oversight Budget Summary

OCE Staff and Overhead	OCE staff salaries and overhead.
Program Coordinator	AEG Program Coordinator contract costs
Memberships-Dues	
<i>Northeast Energy Efficiency Partnership Sponsorship including EMV Regional Protocol Forum</i>	Annual membership and regional forums - membership previously funded by the Utilities.
<i>Clean Energy States Alliance</i>	Annual membership and Governor Regional clean energy conference (2009).
<i>Consortium for Energy Efficiency</i>	Annual membership.
<i>National Association of State Energy Officials and ACORE</i>	Annual membership.
<i>National Association of Regulatory Utility Commissioners</i>	Annual membership.
<i>USGBC/Other Memberships</i>	Annual membership - new memberships.
<i>Rutgers-CEEEP</i>	Current program evaluation contracts include cost/benefit projections and evaluations.
<i>Impact Evaluation</i>	Existing evaluation contract - final report completed in Nov 2009.
<i>Funding Reconciliation</i>	Current contracts for reconciliation of funding level through 2009
<i>O&amp;M Scoping Study/Online Academy</i>	Current contract with NJIT.
<i>Other Studies</i>	Anemometer loan program.
<i>Program Evaluation</i>	New program evaluations.
<i>Financial Audits</i>	Current contract for market manager audit - new scope of work for utility audit.
<i>Green Jobs and Building Code Training</i>	New programs - second solicitation for green jobs training, MOU with DCA for code official training and EE building DIY online.
<i>University Clean Technology Demonstration Projects</i>	New Program for NJ college and university EE and RE demonstration grants - new solicitation to be developed.
<i>Web Site</i>	New contract to be developed - website upgrades.
<i>Outreach and Education/Community Partner Grants</i>	Existing O&E grants and new O&E grant to be developed.

#### *Proposed Revisions to OCE Oversight Activities*

- Reduce funding for OCE staff overhead and Program Coordinator
- Eliminate funding for NEEP EM&V Regional Forum and annual sponsorship
- Eliminate funding for NASEO, USGBC and other memberships
- Reduce funding for CEEEP for evaluation support
- Reduce funding for 2010 evaluation projects
- Reduce funding for green jobs training
- Eliminate funding for university clean technology demonstration projects
- Eliminate funding for web site upgrades
- Eliminate funding for new outreach and education grants

- Propose petitioning DOE to allow the use of ARRA funds for ARRA program administrative expenses

**Retail Margin CHP Projects**

The Board recently issued a solicitation for grants to CHP projects funded with retail margin revenues. The retail margin funds were also impacted by EO 14. Board staff is in the process of developing a proposal for consideration by the Board for funding CHP proposals received by the Board and anticipates the release of its recommendations related to these projects in the near future.