Agenda Date: 09/16/10 Agenda Item: 8A



#### STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center, Suite 801 Newark, NJ 07102 www.nj.gov/bpu/

		CLEAN ENERGY
IN THE MATTER OF THE 2009 STATE ENERGY EFFICIENCY APPLIANCE REBATE PROGRAM - AMERICAN RECOVERY AND REINVESTMENT ACT - REALLOCATION PLAN	) ) ) )	ORDER  DOCKET NO. EG09080611
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(SERVICE LIST ATTACHED)

#### BY THE BOARD

This Order<sup>1</sup> memorializes action taken by the Board of Public Utilities ("Board") at its October 7, 2009 Agenda meeting. At that meeting, the Board approved the comprehensive application for the State Energy Efficiency Appliance Rebate Program funding under the American Recovery and Reinvestment Act of 2009, <u>Pub. L. No.</u> 111-5 ("Recovery Act").

The Recovery Act provides \$296 million to implement section 124 of the Energy Policy Act of 2005, which established Department of Energy ("USDOE") support for state rebate programs for residential ENERGY STAR appliance products (those products that represent improvements in efficiency compared to the majority of products in the market). The State Energy Efficiency Appliance Rebate Program ("SEEARP") is intended to save energy by encouraging appliance replacement through consumer rebates; to make rebates available to consumers; to enhance existing rebate programs; to keep administrative costs low while adhering to monitoring and evaluation requirements; to promote State and national tracking and accountability; and to use existing ENERGY STAR consumer education and outreach materials. States received formula-based funding to establish or supplement established ENERGY STAR appliance rebate programs to achieve these objectives.



<sup>&</sup>lt;sup>1</sup> The caption of this order differs from the caption published in the agenda, but the docket number remains unchanged.

Using the designated USDOE formula, New Jersey's allocation is \$8,330,740. Federal funds awarded from the USDOE may be used to pay up to 50% of the administrative costs to carry out the State's rebate program. New Jersey intends to use its full allocation to pay for product rebates.

The USDOE, through the Idaho Operations Office, has made funds available to states to implement the SEEARP. The USDOE created a two-step application process for SEEARP funding. As a first step in applying for SEEARP funds, an Initial Application was submitted by August 15, 2009 on behalf of the State. The Initial Application consisted of an Application for Federal Assistance SF-424. By submitting the SF-424, the State provided a written assurance that it will comply with all of the requirements set forth in the Recovery Act. The second step of the application process required the submittal of a comprehensive application package by October 15, 2009. The comprehensive application package included, among other things, the detailed descriptions of the planned program activities and budget justification information.

Under the federal ARRA program NJ was awarded \$8.333 million to supplement the Clean Energy appliance rebate program for Products (Clothes Washers, Refrigerators and Dish Washers) including HVAC equipment (Cool and Warm advantage). New Jersey's plan (Plan) included:

1 Expanding the HVAC equipment rebates to Non-Investor Owned Utility and oil/propane customers. The New Jersey Clean Energy Program currently limited to natural gas and Investor Owned Utility electric customers that pay into the SBC.

### 2. Providing additional product rebates

The Plan included announcing the product rebates to key events such as Earth Day and Energy Awareness Month. The New Jersey consumers responded overwhelmingly to the Product Rebates during these key events. The number of rebates for the Products and the HVAC equipment included in the October 15, 2009 Comprehensive Application Plan was targeted numbers given that consumer spending is unpredictable. The Office of Clean Energy sought to reallocate \$3.325 million from the HVAC equipment (Cool and Warm advantage budget to the Products (Clothes Washers, Refrigerators and Dish Washers) budget. This reallocation enabled the NJ Clean Energy Program to extend the current ARRA Products promotion beyond August 31, 2010 and offer NJ consumers SEEARP Product rebates through December 2010.

Staff has received approval from DOE to reallocate the money. Because of the timing of the Board's public meetings, Staff sent notice to the individual Commissioners requesting approval to modify the SEEARP budget. With notice to the Commissioners and USDOE approval, Staff has reallocated the money to allow the program to continue, as discussed above. Staff is now recommending that the Board approve the reallocation of \$3.325M of the SEEARP funds from HVAC equipment (Cool and Warm advantage) to Products (Clothes Washers, Refrigerators and Dish Washers) as within time.



The Board has reviewed Staff's recommendation and HEREBY FINDS it to be reasonable. Accordingly, the Board HEREBY APPROVES the reallocation of \$3.325M of the SEEARP funds from HVAC equipment (Cool and Warm advantage) to Products (Clothes Washers, Refrigerators and Dish Washers) as within time.

DATED: 9/16/10

**BOARD OF PUBLIC UTILITIES** 

BY:

ÉE A. SOLOMON **PRESIDENT** 

COMMISSIONER

NICHOLAS ASSELTA COMMISSIONER

ATTEST:

**SECRETARY** 

ELIZABETHRANDALL COMMISSIONER

OSEPH L. FIORDALISO

COMMISSIONER

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

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# IN THE MATTER OF THE 2009 STATE ENERGY EFFICIENCY APPLIANCE REBATE PROGRAM - AMERICAN RECOVERY AND REINVESTMENT ACT - REALLOCATION PLAN DOCKET NO. EG09080611

## **SERVICE LIST**

Michael Winka
Office of Clean Energy
Board of Public Utilities
P.O. Box 350
Trenton, New Jersey 08625-0350

Mona Mosser Office of Clean Energy Board of Public Utilities 2 Gateway Center Newark, NJ 07102

Allison E. Mitchell Office of Clean Energy Board of Public Utilities 2 Gateway Center Newark, NJ 07102

Kristi Izzo, Secretary Board of Public Utilities Two Gateway Center Newark, New Jersey 07102

Sharon Wolfe
Office of Clean Energy
Board of Public Utilities
2 Gateway Center
Newark, NJ 07102

Cynthia Holland, DAG
Division of Law
Dept. of Law & Public Safety
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07102

Rachel Boylan Office of Clean Energy Board of Public Utilities 2 Gateway Center Newark, NJ 07102 Joe Gennello Honeywell 5 East Stow Road, Suite E Marlton, NJ 08053

Pedro Cabrera Honeywell 145 Route 46 West Wayne, NJ 07470

James Nappi Applied Energy Group, Inc. 317 George Street Suite 400 New Brunswick, NJ 08901

Michael Ambrosio Applied Energy Group, Inc. 317 George Street Suite 400 New Brunswick, NJ 08901



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Table 3. Rebate Detail							
		Targeted Quantity	Total Cost	Targeted # of Products Recycled			
Products to be Rebated Clothes Washers (1/1/11 Criteria)	\$35	15,000	\$525,000	13,500			
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Dishwashers (8/11/09 Criteria)	\$25	10,000	\$250,000	9,000			
Dishwashers (7/1/11 Criteria)	\$50	5,000	\$250,000	4,500			
Refrigerators (ENERGY STAR)	\$75	15,000	\$1,125,000	13,500			
Refrigerators (CEE Tier 2)	\$100	2,000	\$200,000	1,800			
Refrigerators (ERP)	\$50	17,000	\$850,000	N/A			
Water Heater (Electric Heat Pump 1/1/09 Criteria)	\$250	1,500	\$375,000	1,350			
Water Heater (Gas Storage 1/1/09 Criteria)	\$25	4,000	\$100,000	3,600			
Water Heater (Gas Tankless 1/1/09 Criteria)	\$300	100	\$30,000	90			
Solar (gas back-up)	\$1,200	707	\$848,400	N/A			
Central Air Conditioners	\$300	1,000	\$300,000	900			
Air Source Heat Pumps	\$300	75	\$22,500	68			
Ground Source Heat Pumps	\$400	50	\$20,000	45			
Oil Furnaces	\$300	2,500	\$750,000	2,250			
Gas Furnaces	\$300	250	\$75,000	225			
Oil Boilers	\$300	7,900	\$2,370,000	7,110			
Gas Boilers	\$300	800	\$240,000	720			
Total Rebates		82,882	\$8,330,900	58,658			

REVISED PLAN 7-29-10				
Targeted Quantity	Total Cost	Targeted # of Products Recycled		
25,000	\$875,000	22,500		
13,000	\$325,000	11,700		
15,000	\$750,000	13,500		
45,000	\$3,375,000	40,500		
10,000	\$1,000,000	9,000		
4,000	\$200,000	3,600		
200	\$50,000	180		
1,000	\$25,000	900		
100	\$30,000	90		
50	\$60,000	45		
1,000	\$300,000	900		
75	\$22,500	68		
50	\$20,000	45		
2,300	\$690,000	2,070		
250	\$75,000	225		
1,000	\$300,000	900		
778	\$233,400	700		
118,803	\$8,330,900	106,923		

	•	Original	Revised
SUMMARY		Plan	Plan
Products		\$3,200,000	\$6,525,000
HVAC		\$5,130,900	\$1,805,900
Total		\$8,330,900	\$8,330,900

