



Agenda Date: 12/20/07
Agenda Item: 8E

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF COMPREHENSIVE ENERGY
EFFICIENCY AND RENEWABLE ENERGY RESOURCE
ANALYSIS FOR 2005 -2008: 2008 PROGRAMS
AND BUDGETS:
COMPLIANCE FILINGS

CLEAN ENERGY

) SUMMARY ORDER

) DOCKET NO. EX04040276

(SERVICE LIST ATTACHED)

BY THE BOARD:

This Summary Order memorializes, in summary fashion, action taken by the Board at its special Agenda meeting on December 20, 2007. The Summary Order is intended to adopt the Clean Energy Program and Budget for 2008 consistent with the Board's action on December 20, 2007. At that meeting, the Board, after consideration of stakeholder comments, voted to approve the 2008 budget and programs for the Clean Energy Program as proposed by the entities managing each program with revisions as recommended by the staff of the Office of Clean Energy (Staff). An Order setting out the budget and programs in more detail, together with the Board's reasoning in adopting the budget and programs, will follow.

Staff recommended adoption of a Clean Energy Program budget for 2008 in the amount of \$391,475,000, of which \$235,000,000 represents funding allocated for 2008 as approved by the Board in its Order dated December 23, 2004 in Docket No. EX04040276. The remaining \$156,475,000, which has no impact upon rates, represents other anticipated funding and estimated carryover from 2007. The recommended budget comprises \$193,819,000 in funding for the Energy Efficiency Program, \$185,486,000 in funding for the Renewable Energy Program, and \$12,200,000 in funding for the Office of Clean Energy's Oversight budget.

The Energy Efficiency Program includes programs managed by Honeywell International, Inc. (Honeywell), TRC Energy Services (TRC), the utilities, the Department of Environmental Protection (DEP), the Department of Community Affairs (DCA), the Department of Treasury (Treasury), and Staff. The Renewable Energy Program includes programs managed by Honeywell, the utilities, DEP, and Staff. Honeywell,

TRC, the utilities and Staff have submitted compliance filings; compliance filings from DEP, DCA, and EDA, which administer certain energy efficiency and renewable energy programs for the Board, are anticipated in early 2008. The funding for the program managed by Treasury was allocated by the Appropriations Act for the State Fiscal Year ending June 30, 2008.

The Office of Clean Energy's Oversight budget includes administration and overhead, evaluation and related research, and marketing and communications expenses.

Both the 2008 Clean Energy Program budget and the programs being funded have been the subject of an extensive public stakeholder process, with notice and opportunity for comment from public stakeholders. Consistent with the approved contracts with the Market Managers and the Program Coordinator, Staff has held extensive discussions with the Market Managers and the Program Coordinator regarding the programs and budgets set out in the program filings. Staff, in conjunction with these contractors, has held public meetings to receive comments and input into the development of the 2008 programs and budget. Monthly public stakeholder meetings of the Clean Energy Program's Energy Efficiency and Renewable Energy committees, chaired by Staff, began to include discussion of the 2008 program plans and budgets starting in June 2007. Discussions ensued at the meetings held on June 12th, July 17th, August 14th, September 18th, October 9th, October 31st, and November 13th. At each of these meetings, Honeywell and TRC discussed proposed changes to the programs and budgets and solicited comments from meeting participants regarding other suggested changes to the programs. In addition, on November 8, 2007, the New Jersey Clean Energy Program Plan filings submitted by Honeywell and TRC were electronically distributed to the Clean Energy Council and its RE and EE committees with a request for written comments by November 30, 2007. A meeting of the CEC was held on November 27, 2007 at which the proposed programs and budgets were presented and discussed.

The following sets out the 2008 Energy Efficiency Program budgets recommended by Staff:

2008 Energy Efficiency Program Budget

Energy Efficiency Programs (All numbers = 000's)	NJBPU Approved	Estimated 2007	2007 Carry Over	New 2008 Funding	Final 2008 Budgets	Committed Expenses
Programs	2007 Budget (a)	Expenses (b)	(c) = (a) - (b)	(d)	(e) = (c) + (d)	(f)
Residential EE Programs						
Residential HVAC - Electric & Gas	\$17,759	\$12,959	\$4,800	\$12,570	\$17,370	\$0
Residential New Construction	\$27,678	\$21,366	\$6,312	\$29,317	\$35,629	\$25,630
Energy Efficient Products	\$11,083	\$5,593	\$5,490	\$13,710	\$19,200	\$4,570
Home Performance with Energy Star	\$7,368	\$4,014	\$3,354	\$5,902	\$9,256	\$0
Residential Low Income	\$27,408	\$24,424	\$2,984	\$27,294	\$30,278	\$0
Comfort Partners	\$20,175	\$21,940	(\$1,765)	\$27,294	\$25,529	\$0
DCA Weatherization	\$6,933	\$2,484	\$4,449	\$0	\$4,449	\$0
Weatherization Rehabilitation and Asset Preservation (WRAP)	\$300	\$0	\$300	\$0	\$300	\$0
Community Based Efficiency Initiative	\$0	\$0	\$0	\$345	\$345	\$0
DCA Green Homes	\$1,600	\$0	\$1,600	(\$1,600)	\$0	\$0
Energy Conservation Kits	\$200	\$523	(\$323)	\$323	\$0	\$0
Residential Market Manager Transition Costs	\$986	\$893	\$93	(\$93)	\$0	\$0
Utility Residential Program Transition Costs	\$0	\$0	\$0	\$0	\$0	\$0
Sub Total Residential	\$94,082	\$69,772	\$24,310	\$87,768	\$112,078	\$30,200
C&I EE Programs						
Commercial/Industrial Construction	\$35,068	\$15,739	\$19,329	\$16,404	\$35,733	\$18,552
C&I New Construction	\$4,000	\$2,079	\$1,921	\$2,861	\$4,782	\$2,411
C&I Retrofit	\$26,068	\$12,233	\$13,835	\$13,389	\$27,224	\$14,100
New School Construction & Retrofit	\$5,000	\$1,427	\$3,573	\$154	\$3,727	\$2,041
CHP	\$7,857	\$2,516	\$5,341	\$5,267	\$10,608	\$6,400
Municipal Audit	\$1,000	\$400	\$600	\$400	\$1,000	\$0
Direct Install	\$4,000	\$100	\$3,900	\$100	\$4,000	\$0
Pay-for Performance	\$3,000	\$100	\$2,900	\$3,100	\$6,000	\$0
School Energy and Education Pilot	\$0	\$0	\$0	\$400	\$400	\$0
C&I Market Manager Transition Costs	\$380	\$380	\$0	\$0	\$0	\$0
Utility C&I Program Transition Costs	\$0	\$0	\$0	\$0	\$0	\$0
Sub Total C&I	\$61,305	\$19,235	\$32,070	\$25,671	\$57,741	\$24,952
Other EE Programs						
Special Studies	\$2,000	\$0	\$2,000	(\$1,000)	\$1,000	\$0
Cool Cities	\$6,736	\$6,736	\$0	\$4,000	\$4,000	\$0
State of NJ Statewide EE Projects	\$4,500	\$0	\$4,500	\$5,500	\$10,000	\$10,000
Utility Program Transition Costs	\$1,082	\$443	\$639	(\$639)	\$0	\$0
Clean Energy Technology Fund	\$0	\$0	\$0	\$9,000	\$9,000	\$0
Sub Total Other Energy Efficiency Programs	\$14,318	\$7,179	\$7,139	\$16,861	\$24,000	\$10,000
Total Energy Efficiency	\$159,705	\$96,186	\$63,519	\$130,300	\$193,819	\$65,152
Final 2008 Energy Efficiency Funding					\$193,819	

(a) = Board approved 2007 budgets

(b) = Estimated 2007 expenses from 7&5 report

(c) = 2007 budget less estimated expenses. Negative carryover occurs where estimated expenses exceed budget.

(d) = Level of new 2008 funding allocated to each program.

(e) = 2007 carryover plus new 2008 Funding.

(f) = committed expenses anticipated to be paid in 2008 or 2009 subject to State appropriations law.

(g) 2008 funding is subject to appropriations for Fiscal Year July 1 2008-June 30, 2009

The following sets out the 2008 RE program budgets recommended by the OCE:

2008 Renewable Energy Program Budget						
Renewable Energy Programs (All numbers = 000's)	NJBPU	Estimated		New	Final	Committed
	Approved	2007	2007	2008	2008	Expenses
Programs	2007 Budget	Expenses	Carry Over	Funding	Budget	
	(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) + (d)	(f)
Customer On-Site Renewable Energy	\$151,712	\$91,958	\$59,754	\$84,235	\$143,989	\$121,440
Clean Power Choice	\$935	\$716	\$219	\$783	\$982	\$0
RE Certificates/SREC Pilot	\$842	\$313	\$529	\$1,130	\$1,659	\$0
RE Market Manager Transition Costs	\$606	\$606	\$0	\$0	\$0	\$0
DEP Ecological Baseline Study	\$2,000	\$0	\$2,000	\$0	\$2,000	\$2,000
Renewable Energy Development Initiative	\$0	\$0	\$0	\$4,163	\$4,163	\$0
Offshore Wind Solicitation (g)	\$0	\$0	\$0	\$19,000	\$19,000	\$0
SUB-TOTAL Renewables	\$155,095	\$93,593	\$62,502	\$109,291	\$171,793	\$123,440
EDA PROGRAMS						
Manufacturing Incentive	\$4,000	\$33	\$3,967	(\$3,967)	\$0	\$0
RE Project Grants and Financing	\$10,400	\$1,461	\$8,939	(\$4,476)	\$4,463	\$4,463
Renewable Energy Business Venture Financing/REED	\$5,000	\$145	\$4,855	(\$1,655)	\$3,200	\$3,200
Clean Energy Technology Fund	\$0	\$0	\$0	\$3,000	\$3,000	\$0
Edison Fund	\$0	\$0	\$0	\$3,000	\$3,000	\$0
SUB-TOTAL EDA Programs	\$19,400	\$1,639	\$17,761	(\$4,098)	\$13,663	\$7,663
TOTAL Renewable Energy Programs	\$175,495	\$95,232	\$80,263	\$105,193	\$185,456	\$131,103
2008 Renewable Energy Funding					\$185,456	

(a) = Board approved 2007 budgets

(b) = Estimated 2007 expenses from 7&5 report

(c) = 2007 budget less estimated expenses. Negative carryover occurs where estimated expenses exceed budget.

(d) = Level of new 2008 funding allocated to each program.

(e) = 2007 carryover plus new 2008 Funding.

(f) = committed expenses anticipated to be paid in 2008 or 2009, subject to State appropriations law.

(g) 2008 Funding is subject to appropriations for FY July 1, 2008-June 30, 2009

The following sets out the 2008 OCE Oversight budget recommended by the OCE:

2008 OCE Oversight Budget

(All numbers = 000's)	NJBPU Approved 2007 Budget (a)	Estimated 2007 Expenses (b)	2007 Carry Over (c) = (a) - (b)	New 2008 Funding (d)	Final 2008 Budget (e) = (c) + (d)
Administration and Overhead					
OCE Staff and Overhead	\$3,000	\$2,251	\$749	\$1,751	\$2,500
Program Coordinator	\$1,500	\$1,500	\$0	\$1,675	\$1,675
Special Studies					
ACI Conference	\$125	\$125	\$0	\$0	\$0
Appliance Standards Rules	\$50	\$0	\$50	\$0	\$50
Sub-Total: Special Studies	\$175	\$125	\$50	\$0	\$50
Memberships-Dues					
Northeast Energy Efficiency Partnership Sponsorship	\$225	\$393	(\$168)	\$418	\$250
Clean Energy States Alliance	\$75	\$133	(\$58)	\$138	\$80
Consortium for Energy Efficiency	\$115	\$207	(\$92)	\$212	\$120
National Association of State Energy Officials	\$0	\$0	\$0	\$10	\$10
National Association of Regulatory Utility Commissioners (f)	\$0	\$0	\$0	\$5	\$5
Sub-Total: Memberships-Dues	\$415	\$733	(\$318)	\$783	\$465
Sub-Total: Administration and Overhead	\$5,090	\$4,609	\$481	\$4,209	\$4,690
Evaluation and Related Research					
Rutgers-CEEP	\$350	\$350	\$0	\$350	\$350
Summit Blue EE Market Assessment	\$30	\$30	\$0	\$0	\$0
Renewable Energy Market Assessment	\$400	\$400	\$0	\$565	\$565
Impact Evaluation	\$700	\$200	\$500	\$300	\$800
Funding Reconciliation	\$65	\$65	\$0	\$20	\$20
O&M Scoping Study/Online Academy	\$200	\$0	\$200	\$250	\$450
Other Studies/Job Training Pilot	\$100	\$147	(\$47)	\$447	\$400
Update Market Potential Studies	\$475	\$300	\$175	(\$25)	\$150
STAC- Residential AC Study	\$50	\$38	\$12	(\$12)	\$0
Process Evaluation	\$0	\$0	\$0	\$300	\$300
Northeast Energy Efficiency Partnership Scoping Study	\$0	\$0	\$0	\$250	\$250
Sub-Total: Evaluation and Related Research	\$2,370	\$1,530	\$840	\$2,445	\$3,285
Marketing and Communications					
Business Outreach	\$390	\$390	\$0	\$500	\$500
Energy Savings Campaigns	\$2,500	\$2,500	\$0	\$2,280	\$2,280
Renewable Energy Campaigns	\$2,500	\$2,500	\$0	\$0	\$0
Web Site	\$150	\$150	\$0	\$560	\$560
Annual report, marketing administration	\$280	\$130	\$150	(\$40)	\$110
Research	\$100	\$100	\$0	\$225	\$225
Outreach and Education/Community Partner Grants	\$975	\$353	\$622	(\$72)	\$550
Sub-Total: Marketing and Communications	\$6,895	\$6,123	\$772	\$3,453	\$4,225
TOTAL: Administration	\$14,355	\$12,262	\$2,093	\$10,107	\$12,200
2007 OCE Oversight Funding					\$12,200

(a) = Board approved 2007 budgets

(b) = Estimated 2007 expenses from 7&5 report

(c) = 2007 budget less estimated expenses. Negative carryover occurs where estimated expenses exceed budget.

(d) = Level of new 2008 funding allocated to each program.

(e) = 2007 carryover plus new 2008 Funding.

(f) = The Office of Clean Energy is a member of NARUC's committee on Energy Resources and the Environment

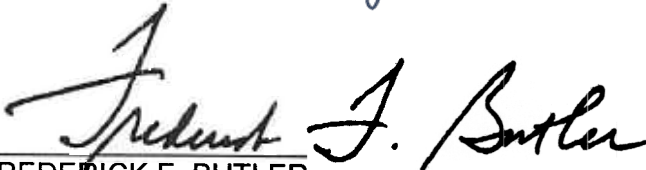
Staff has considered the extensive public stakeholder input received, as well as the comments of the Market Managers and Program Coordinator. Staff believes the

programs and budgets, as discussed above, will deliver significant benefits to the State. Therefore, Staff recommends approval of the 2008 program and budget filings as discussed above.

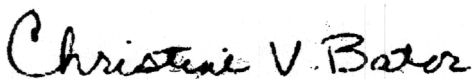
The Board has reviewed Staff's recommendations regarding the 2008 program and budget filings submitted by OCE, Honeywell, TRC, and the utilities, as well as comments submitted by other stakeholders. As a threshold matter, the Board has carefully considered the procedural issues raised by Potter and Dickson, and for reasons which will be set forth in more detail in the Order which follows, **FINDS** that the process utilized to adopt the 2008 Programs and Budget, as well as the other determinations set forth herein, to be appropriate and has provided stakeholders the opportunity to make comments and for the Board to carefully consider all such comments. The Board further **FINDS** Staff's recommendations, as discussed above, to be reasonable. Therefore, the Board **HEREBY APPROVES** the revised 2008 program and budget filings filed by OCE, Honeywell, TRC and the utilities and the budgets as set forth in the tables above. The Board **APPROVES** the budgets for DEP, EDA, and DCA set out in the table above subject to review and approval of an MOA and program filing with each Department.

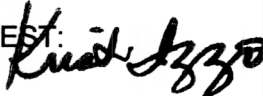
Dated: 1/2/08


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISÓ
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
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Utilities

