



Agenda Date: 7/30/08 – Agenda Item: 8H
Agenda Date: 8/7/08 – Agenda Item: 8C

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

CLEAN ENERGY

IN THE MATTER OF COMPREHENSIVE ENERGY)	ORDER
EFFICIENCY AND RENEWABLE ENERGY RESOURCE)	
ANALYSIS FOR 2005 - 2008: REVISED 2008)	
PROGRAMS AND BUDGETS)	DOCKET NO. EX04040276

(SERVICE LIST ATTACHED)

BY THE BOARD:

Background and Procedural History

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. (EDECA) was signed into law. The Act established requirements to advance energy efficiency and renewable energy in New Jersey through the societal benefits charge (SBC). N.J.S.A. 48:3-60(a)(3). EDECA further empowered the Board of Public Utilities (Board) to initiate a proceeding and cause to be undertaken a comprehensive resource analysis of energy programs, currently referred to as the comprehensive energy efficiency (EE) and renewable energy (RE) resource analysis. After notice, opportunity for public comment, public hearing, and consultation with the New Jersey Department of Environmental Protection (NJDEP), within eight months of initiating the proceeding and every four years thereafter, the Board would determine the appropriate level of funding for EE and Class I RE programs that provide environmental benefits above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999. These programs are now known as New Jersey's Clean Energy Program (CEP).

As required by EDECA, in 1999 the Board initiated its first comprehensive EE and RE resource analysis proceeding. At the conclusion of this proceeding, the Board issued its initial Order, dated March 9, 2001, Docket Nos. EX99050347 et al. ("March 9th Order"). The March 9th Order set funding levels for the years 2001 through 2003, established the programs to be funded and budgets for those programs. By Order dated July 27, 2004, Docket No. EX03110945 et al., the Board set the funding level for 2004 and established the programs to be funded and budgets for those programs.

By Order dated May 7, 2004, Docket Nos. EX03110946 and EX04040276, the Board initiated its second comprehensive EE and RE resource analysis proceeding and established a procedural schedule for the determination of the funding levels, allocations, and programs for the years

2005 through 2008. By Order dated December 23, 2004, Docket No. EX04040276, the Board concluded its proceeding; set funding levels for the years 2005 through 2008; and approved 2005 programs and budgets. The Board approved funding levels of \$140 million for 2005, \$165 million for 2006, \$205 million for 2007, and \$235 million for 2008.

By Summary Order dated January 2, 2008 and Order dated March 31, 2008 (2008 Budget Order), in the above referenced docket, the Board approved the 2008 programs and budgets for New Jersey's CEP. Because the annual CEP budgeting process commences prior to the end of the preceding program year, which coincides with the calendar year, the 2008 CEP budgets approved by the Board in these aforementioned Orders were based, in part, on estimates of 2007 program expenses. This Order will consider the revised 2008 CEP budgets, which have been adjusted to account for differences between the estimated and the actual 2007 expenses as well as other sources of funding that have become available since the development and prior approval of the 2008 budgets.

Revised 2008 Funding Level

The 2008 budgets established by the Board were based, in part, on estimated 2007 expenses. The table below shows:

- a) The final 2007 budget approved by the Board by Order dated August 1, 2007;
- b) Actual 2007 expenses as reported to the Board and set out in the revised fourth quarter 2007 CEP report;
- c) Actual 2007 carry over which is the difference between the 2007 budget and actual 2007 expenditures;
- d) The estimated 2007 carry over, which is the difference between the 2007 budget and estimated 2007 expenditures, that was utilized in developing the 2008 budgets as set out in the 2008 Budget Order referenced above; and
- e) The additional carry over which is the difference between estimated and actual carry over.

2007 Additional Carry Over

(All numbers = \$000's)	Board Approved 2007 Budget	Actual 2007 Expenses	Actual 2007 Carry Over	Estimated 2007 Carry Over from 2008 Budget Order	Additional Carry Over
	(a)	(b)	(c) = (a) - (b)	(d)	(e) = (c) - (d)
Energy Efficiency Programs	\$159,705	\$90,078	\$69,627	\$63,519	\$6,108
Renewable Energy Programs	\$175,495	\$78,210	\$97,285	\$80,263	\$17,022
OCE Oversight	\$14,355	\$8,523	\$5,832	\$2,093	\$3,739
Total	\$349,555	\$176,811	\$172,744	\$145,875	\$26,869

Based on the table above, the actual 2007 expenditures were \$26.869 million below the estimated expenditures used to develop the 2008 budgets. Therefore, this amount is available for allocation to program budgets.

Other funds available for allocation to program budgets include the following. The New Jersey Department of the Treasury (Treasury) reported that \$6,818,056.23 of interest will be credited to

the Trust Fund in August 2008.¹ In addition, the New Jersey Economic Development Authority (EDA), which manages a number of CEP programs on the Board's behalf, stated in its December 2007 financial report to the Board that \$3.472 million in interest and loan repayments have been credited to the CEP funds held in an EDA account since the inception of the account in 2003. The Board has not previously allocated interest and loan repayments credited to the EDA account from 2003 through the end of 2007. These funds in the EDA account as well as the Trust Fund interest payment are available for allocation to program budgets.

Treasury has also provided the cash receipt log for the Trust Fund to the Board's Office of Clean Energy (OCE). This cash receipt log indicates that \$856,632 in Alternative Compliance Payments (ACPs) and Solar Alternative Compliance Payments (SACPs) were deposited into the Trust Fund in 2006 and 2007 pursuant to the Board's Renewable Portfolio Standards (RPS) regulations. Specifically, N.J.A.C. 14:8-2.10(e) requires the use of ACP monies for funding renewable energy projects through the CEP and the use of SACP monies for funding solar energy projects through the CEP. Thus, the ACP and SACP monies deposited into the Trust Fund in 2006 and 2007 are available for allocation to renewable energy program budgets pursuant to the RPS regulations.

The Board strives to keep administrative expenses at a minimum and aims to reallocate funding available for administration to programs whenever possible. For example, some OCE Staff are federally funded through the State Energy Plan (SEP) as approved by the Board Order dated May 19, 2008, Docket No.EO08040237. As shown in the table above, actual expenses for OCE Oversight were \$3.793 million below estimated expenses. Furthermore, OCE Staff has reviewed the 2008 budget and recommends that the Board reallocate an additional \$400,000 from the 2008 OCE Oversight budget to the Renewable Energy budget for a total reallocation of \$4.139 million (\$3.739 M + \$400,000 = \$4.139 M). The specific components that make up the proposed \$400,000 reallocation from the OCE Oversight budget are discussed in the *OCE Proposed Revised 2008 Budgets* section of this Order.

OCE Staff recommends a specific allocation to the CORE program for the following reasons. The CORE program has experienced exponential growth in each of the past 4 years. As a result of this growth, a number of solar projects have been placed in a queue, where they await additional funding before they can receive a rebate commitment. Therefore, the OCE Staff recommends the allocation of the OCE Oversight carry over and the reallocation of the additional OCE Oversight funds as well as the allocation of the Trust Fund interest; EDA interest and loan repayments; and the ACP and SACP monies to the CORE program, part of the Renewable Energy budget.

¹ In July 2008 Treasury estimated that \$6,818,056.23 in interest would be credited to the Trust Fund. This amount was used for the purpose of developing the budget revisions discussed herein. Subsequent to the Board's August 7, 2008 agenda meeting during which the within matter was considered, the amount of \$6,864,441.64 was credited to the Trust Fund. The difference between the estimated and actual interest is \$46,385.41. The Board will address the allocation of this additional interest in a future Order.

The following table shows the revised 2008 funding levels that result from Staff's recommendation. The proposed reallocation is shown as a line item transfer in the table below.

Revised 2008 Funding Levels

(All numbers = \$000's)	2008 Budget From 3/31/08 Board Order	Additional Carryover, ACPs, SACPs, and Interest	Line Item Transfers	Revised 2008 Funding Levels
	(a)	(b)	(c)	(a) + (b) + (c)
Energy Efficiency Programs	\$193,819	\$6,108	\$0	\$199,927
Renewable Energy Programs	\$185,456	\$17,022	\$15,285	\$217,763
OCE Oversight	\$12,200	\$3,739	(\$4,139)	\$11,800
Estimated 2008 Trust Fund Interest Payment	NA	\$6,818	(\$6,818)	\$0
EDA Interest and Loan Repayments	NA	\$3,472	(\$3,472)	\$0
ACPs and SACPs Received in 2007	NA	\$856	(\$856)	\$0
Total	\$391,475	\$38,015	\$0	\$429,490

The *OCE Proposed Revised 2008 Budgets* section is a detailed discussion of Staff's proposal for allocating the revised 2008 funding levels shown in the table above to specific programs.

OCE Proposed Revised 2008 Budgets

Staff has reviewed the 2008 budgets approved by the Board in its March 31, 2008 Order; has reviewed program activity year to date; has discussed and received input from stakeholders regarding the potential allocation of additional funds to the CORE program at the Renewable Energy Committee Meeting held on June 17, 2008; has reviewed the joint recommendations of the Mid-Atlantic Solar Energy Industries Association and New Jersey Chooses Solar; and has discussed the budgets with the Market Managers, Honeywell and TRC, in order to identify programs that may require additional funding or, alternatively, may not require the full budget allocation for the program. The proposed changes to the 2008 budgets previously approved by the Board appear in the form of additional 2007 carry over and line item transfers. Additional 2007 carry over and line item transfers are added to or subtracted from the 2008 budgets previously approved by the Board in order to determine the revised 2008 budget. With the exception of the line item transfers discussed below, OCE Staff recommends that the additional 2007 carry over be added to the 2008 program budget approved by the Board. The net result of the additional 2007 carry over and proposed line item transfers discussed below are shown in the Revised 2008 Budget tables in the *Discussion and Findings* section of this Order.

The following summarizes the line item transfers proposed by the OCE Staff for the Energy Efficiency (EE) and Renewable Energy (RE) program budgets.

Energy Efficiency Budget Line Item Transfers

OCE Staff proposes a number of line item transfers within the EE Program budget as follows:

Residential Programs

Energy Conservation Kits: transfer \$6,000 from this budget line to offset the additional 2007 carry over such that the 2008 budget remains at \$0.

- Residential Market Manager Transition Costs: transfer \$3,000 to this budget line to offset the negative 2007 carry over such that the 2008 budget remains at \$0.

Energy Efficient Products: transfer \$3,000 to this program to balance out the transfers in the two bullets above.

C&I Programs

Combined Heat and Power ("CHP") Program: Nineteen proposals were submitted in response to the Board's 2007 request for CHP applications. At its July 11, 2008 Board agenda meeting, the Board authorized issuance of rebate approval letters to seven CHP projects. In the matter of Clean Energy Program – Award of 2007 Combined Heat and Power Program Incentives, Dkt. No. EOO8040236 (July 30, 2008). The Board also approved reallocation of \$255,812 (rounded up herein to \$256,000) from the C&I Retrofit program budget to the rebate component of the 2008 CHP program budget in order to ensure that sufficient funding is available to pay all outstanding commitments for CHP rebates from previous solicitations plus the seven new CHP rebates approved at the July 11, 2008 Board agenda meeting.

OCE Staff believes that the remaining six eligible projects submitted in response to the Board's 2007 request for CHP applications would provide benefits to the State and should be considered for rebate commitment. However, due to budget constraints, no additional funding was available in the 2008 CHP budget approved by the Board. OCE Staff recommends that \$5.814 million be transferred to the 2008 CHP budget, which will provide sufficient funding to allow for consideration of these six CHP projects by the Board.

- Municipal Audit Program: The Board approved a 2008 budget of \$1 million for the Municipal Audit program which will subsidize energy audits for municipal and local government entities. While this program has not yet been implemented, TRC has indicated that it has received numerous inquiries regarding the program and anticipates the receipt of numerous requests for funding upon commencement of the program. To address the anticipated volume of requests for funding, OCE Staff recommends the transfer of an additional \$924,000 to the rebate component of the Municipal Audit program budget.
- C&I Retro Fit Program: transfer \$3.814 million from the C&I Retrofit Program to partially offset the additional funding for the CHP and Municipal Audit programs. The remaining C&I Retrofit program budget is sufficient to meet anticipated 2008 expenditures.
- New Schools Construction and Retrofit Program: transfer \$584,000 from the C&I New Schools Construction and Retrofit Program to partially offset the additional funding for the CHP and Municipal Audit programs. The remaining C&I New Schools Construction and Retrofit Program budget is sufficient to meet anticipated 2008 expenditures.
- Direct Install and Pay-for Performance Programs: transfer \$1.1 million from both the Direct Install and Pay-for Performance Program to partially offset the additional funding for the CHP and Municipal Audit programs. Implementation of both of these new programs has been delayed and the remaining budget for both is sufficient to meet anticipated 2008 expenditures.

Other C&I Programs

Utility Program Transition Costs: transfer \$140,000 from the Utility Program Transition Costs budget line to partially offset the additional funding for the CHP and Municipal Audit programs. The remaining funding is sufficient to meet anticipated 2008 expenditures.

The net result of these proposed changes is shown in the Revised 2008 Energy Efficiency Program Budget table included in the *Discussion and Findings* section of this Order.

The contract for the C&I Energy Efficiency Market Manager, TRC, includes a payment of \$25,000 for development and submittal of an annual Approach to Services Work Plan. TRC has indicated that in developing the detailed 2008 budgets, included in its compliance filing and approved by the Board by Order dated March 31, 2008, it inadvertently omitted these costs in the budget. TRC requested that the administrative budget for the C&I Retrofit program be increased by \$25,000 to accommodate this Board approved expense. The Approach to Services Work Plan covers all of the C&I programs managed by TRC. However, to avoid the administrative expenses associated with allocating these costs across all programs, and given that the expenses for the Approach to Services Work Plan are relatively small compared to the overall program budget, OCE recommends that these expenses be allocated to the C&I Retrofit program which has the largest budget of the programs managed by TRC.

Specifically, OCE Staff recommends that the Board authorize TRC to increase the administration component of the 2008 C&I Retrofit program budget included in TRC's 2008 compliance filing by \$25,000. Staff further recommends that the rebate component of the C&I Retrofit program budget should be decreased by this amount such that the overall C&I Retrofit program budget remains as approved by the Board with the adoption of the recommended \$3.84 million transfer. This reallocation will not be detrimental to the program, because TRC expects the rebate portion of the budget to be under spent in 2008.

Renewable Energy Budget Line Item Transfers

OCE Staff proposes a number of line item transfers within the RE Program budget as follows:

CORE Program: transfer \$32.388 million to the CORE program to provide additional funding for approval of CORE applications that have been placed in the queue. This funding is in addition to the other funding additions discussed in this Order

Clean Power Choice Program: transfer \$24,000 to the Clean Power Choice Program to offset the negative 2007 carry over, which results in no change to the 2008 budget originally approved by the Board.

RE Certificates/Solar REC ("SREC") Pilot: transfer \$24,000 from the RE Certificates/SREC Pilot Program to offset the additional 2007 carry over which results in no change to the 2008 budget originally approved by the Board.

RE Market Manager Transition Costs: transfer \$3,000 to this budget line to offset the negative 2007 carry over such that the 2008 budget remains at \$0.

Offshore Wind Solicitation: The 2008 RE budget approved by the Board included \$19 million for an off-shore wind solicitation issued by the Board. The solicitation allows for up to 10% of the award to be paid as an upfront payment with the remaining incentive paid over time after the selected facility commences operation. Treasury procurement

procedures require that the entire \$19 million in potential incentives be available from current or anticipated funding. OCE Staff recommends that upon approval of a 2009 funding level, at the conclusion of the Board's ongoing CRA proceeding, 10% of the anticipated award, or \$1.9 million be reserved from the 2008 budget and that the remaining \$17.1 million be committed against anticipated 2009 funding. Staff of the OCE Staff further proposes the transfer of the \$17.1 million to the 2008 CORE program budget.

- RE Grants and Financing Program: transfer \$1.2 million to the RE Grants and Financing program from the RE Business Venture Financing/REED program. An additional \$1.2 million is required to pay outstanding commitments in the RE Grants and Financing program. The remaining RE Business Venture Financing/REED program budget is sufficient to pay existing commitments.

The net result of these changes is shown in the Revised 2008 Renewable Energy Program Budget table included in the *Discussion and Findings* section of this Order.

OCE Oversight

OCE Staff proposes a number of line item transfers within the OCE Oversight budget as follows:

The additional carry over represents unspent funds from the 2007 budget over and above anticipated expenses. However, the additional OCE Oversight carry over is not required to meet anticipated 2008 program expenses. Therefore, OCE Staff proposes a line item transfer in an amount equal to the additional carry over for the majority of the OCE Oversight budget lines with a few exceptions noted below. This transfer will result in no change to original 2008 budgets approved by the Board for these budget lines. The exceptions are as follows:

- Program Coordinator: In March 2008 Treasury approved a contract modification for the Clean Energy Program Coordinator, Applied Energy Group (AEG). This contract modification increased the contract amount by approximately \$180,000. Staff of the OCE proposes a line item transfer of \$186,000 from this budget line, which, when subtracted from the additional 2007 carry over of \$486,000, results in a net increase of \$300,000 for the 2008 Program Coordinator budget previously approved by the Board. The proposed increase is sufficient to cover the increase in the contract amount plus any potential unanticipated expenses associated with the variable cost components of the existing contract.

Renewable Energy Market Assessment: The Board approved a 2008 budget of \$565,000 for the Renewable Energy Market Assessment prepared by Summit Blue. The project was completed in 2007. OCE Staff proposes to transfer \$560,000 from this budget line, which, when combined with the \$160,000 in additional 2007 carry over, results in a revised 2008 budget of \$165,000 which is sufficient to close out this project.

- Update Market Potential Studies: The Board approved a 2008 budget of \$150,000 to update market potential studies. Market potential studies were updated by Rutgers Center for Energy Economic and Environmental Policy ("CEEPP") and AEG and expenses for this project were included in the CEEPP and Program Coordinator budget lines. No additional funding is required to update market potential studies. OCE Staff recommends that \$450,000 be transferred from this budget line, which, when combined with additional 2007 carry over of \$300,000 results in a \$0 budget for this activity which is no longer required.

Process Evaluation: The Board approved a 2008 budget of \$300,000 for a process evaluation. OCE Staff believes this project will commence in 2009 at the earliest and therefore is proposing to transfer the entire \$300,000 budget, which will result in a \$0 budget for this line.

Marketing and Communications – Research: The Board approved a 2008 budget of \$225,000 for marketing and communications research. Some of the 2007 expenses for this budget line were not invoiced until 2008. OCE Staff proposes to reallocate \$25,000 to this budget line, which, when combined with the additional 2007 carry over of \$100,000, increases this budget by \$125,000 or from a total budget of \$225,000 to \$350,000. The additional funding will be utilized to cover anticipated 2008 expenses plus the 2007 expenses billed in 2008.

- Outreach and Education Grants: The Board approved a budget of \$550,000 for outreach and education grants. The OCE Staff proposes to reallocate \$185,000 from this budget line, which, when combined with the additional 2007 carry over of \$205,000, increases this budget by \$20,000 or from a total of \$550,000 to \$570,000 to pay grant commitments previously approved by the Board.

The net result of the OCE Oversight budget proposed line item transfers summarized above is a \$400,000 reduction to the OCE Oversight budget previously approved by the Board. As discussed above, OCE Staff recommends the transfer of this \$400,000 reduction in the OCE Oversight budget plus the 2007 OCE Oversight carry over to the RE budget. The net result of these changes is shown in the Revised 2008 OCE Oversight Budget table included in the *Discussion and Findings* section of this Order.

Discussion and Findings

The Board has consistently demonstrated its commitment to meeting the State's RPS goals and to supporting a sustainable renewable energy industry in the State. The success of the CORE program over the last several years had led to a queue of solar projects, which await additional funding before the issuance of additional rebate commitment letters. Past experience shows that these projects can be installed and operational within a year of issuance of a rebate approval letter.

The Board has reviewed Staff's recommendations discussed above. The Board concurs with the Staff's recommendation to allocate the additional funding that has become available, funding within the RE program budgets, and funding from the OCE Oversight budget to the CORE program. The net result of Staff's recommendations is an increase in the CORE budget of over \$51 million. This increased budget will allow for the Board to issue rebate approval letters to all projects currently in the queue. This increased budget will also reinforce the Board's long-standing commitment to the development of a sustainable solar energy industry in the State. The Board also concurs with the OCE Staff's recommendation to reallocate funding from other C&I programs to the CHP program, which will allow for the Board's consideration of additional CHP projects submitted in response to the 2007 request for applications, and to the Municipal Audit program, which is expected to receive numerous applications upon program implementation.

The Board has reviewed the line item transfers proposed by the OCE Staff. The Board **FINDS** the proposed line item transfers to be reasonable and appropriate. Therefore, the Board **HEREBY APPROVES** the revised 2008 budgets as detailed in the charts below:

Revised 2008 Energy Efficiency Program Budget

(All numbers = 000's)	Board Approved 2008 Budget	Additional Carry Over	Line Item Transfer	Revised 2008 Budget
Programs	(a)	(b)	(c)	(d) = (a) + (b) + (c)
Residential EE Programs				
Residential HVAC - Electric & Gas	\$17,370	\$1,106		\$18,476
Residential New Construction	\$35,629	\$1,512		\$37,141
Energy Efficient Products	\$19,200	\$939	\$3	\$20,142
Home Performance with Energy Star	\$9,256	\$573		\$9,829
Residential Low Income				
Comfort Partners	\$25,529	\$844		\$26,373
DCA Weatherization	\$4,449	(\$2,590)		\$1,859
Weatherization Rehabilitation and Asset Preservation (WRAP)	\$300	\$0		\$300
Community Based Efficiency Initiative	\$345	\$0		\$345
DCA Green Homes	\$0	\$0		\$0
Energy Conservation Kits	\$0	\$6	(\$6)	(\$0)
Residential Market Manager Transition Costs	\$0	(\$3)	\$3	\$0
Utility Residential Program Transition Costs	\$0	\$0		\$0
Sub Total Residential	\$112,078	\$2,386	\$0	\$114,464
C&I EE Programs				
Commercial/Industrial Construction				
C&I New Construction	\$4,782	(\$279)		\$4,503
C&I Retrofit	\$27,224	(\$814)	(\$3,814)	\$22,596
New School Construction & Retrofit	\$3,727	\$584	(\$584)	\$3,727
CHP	\$10,608	(\$508)	\$5,814	\$15,914
Municipal Audit	\$1,000	\$400	\$924	\$2,324
Direct Install	\$4,000	\$100	(\$1,100)	\$3,000
Pay-for-Performance	\$6,000	\$100	(\$1,100)	\$5,000
School Energy and Education Pilot	\$400	\$0		\$400
C&I Market Manager Transition Costs	\$0	\$0		\$0
Utility C&I Program Transition Costs	\$0	\$0		\$0
Sub Total C&I	\$57,741	(\$417)	\$140	\$57,464
Other EE Programs				
Special Studies	\$1,000	\$0		\$1,000
Cool Cities	\$4,000	\$3,950		\$7,950
State of NJ Statewide EE Projects	\$10,000	\$0		\$10,000
Utility Program Transition Costs	\$0	\$189	(\$140)	\$49
Clean Energy Technology Fund	\$9,000	\$0		\$9,000
Sub Total Other Energy Efficiency Programs	\$24,000	\$4,139	(\$140)	\$27,999
Total Energy Efficiency	\$193,819	\$6,108	\$0	\$199,928

Revised 2008 Renewable Energy Program Budget

(All numbers = 000's)	Board Approved 2008 Budget	Additional Carry Over	Line Item Transfers	Revised 2008 Budget
Programs	(a)	(b)	(c)	(d) = (a) + (b) + (c)
Customer On-Site Renewable Energy	\$143,989	\$18,673	\$32,388	\$195,049
Clean Power Choice	\$982	(\$24)	\$24	\$982
RE Certificates/SREC Pilot	\$1,659	\$24	(\$24)	\$1,659
RE Market Manager Transition Costs	\$0	\$3	(\$3)	\$0
DEP Ecological Baseline Study	\$2,000	\$0		\$2,000
Renewable Energy Development Initiative	\$4,163	\$0		\$4,163
Offshore Wind Solicitation	\$19,000	\$0	(\$17,100) ²	\$1,900
SUB-TOTAL Renewables	\$171,793	\$18,675	\$15,285	\$205,753
EDA PROGRAMS				
Manufacturing Incentive	\$0	\$0		\$0
RE Project Grants and Financing	\$4,463	(\$1,591)	\$1,200	\$4,072
Renewable Energy Business Venture Financing/REED	\$3,200	(\$62)	(\$1,200)	\$1,938
Clean Energy Technology Fund	\$3,000	\$0		\$3,000
Clean Energy Manufacturing Fund	\$3,000	\$0		\$3,000
SUB-TOTAL EDA Programs	\$13,663	(\$1,653)	\$0	\$12,010
TOTAL Renewable Energy Programs	\$185,456	\$17,022	\$15,285	\$217,763

Note: The total of \$15.285 million in line item transfers in the table above consists of a line item transfer of \$4.139 million from the OCE Oversight budget, plus allocation of \$6.818 million in Trust Fund interest, \$3.472 million in EDA interest and loan repayments, and \$856,000 in ACP and SACP payments as discussed above. The total line item transfer of \$32.388 million to the CORE program shown in the table above includes both the reallocation of this \$15.285 from other budget categories to the CORE program plus the reallocation of \$17.1 million from the Offshore Wind Solicitation and \$3,000 from RE Market Manager Transition Costs.

² This transfer is contingent on Board approval of the CRA, which includes \$17.1 million for OSW committed in the 2009 funding level. Comprehensive Energy Efficiency and Renewable Energy Resource Analysis for the 2009-2012 Clean Energy Program, DKT. NO. EO07030203.

Revised 2008 OCE Oversight Budget

(All numbers = 000's)	Board Approved 2008 Budget	Additional Carry Over	Line Item transfers	Revised 2008 Budget
	(a)	(b)	(c)	(d) = (a)+(b)+(c)
Administration and Overhead				
OCE Staff and Overhead	\$2,500	\$2,001	(\$2,001)	\$2,500
Program Coordinator	\$1,675	\$486	(\$186)	\$1,975
Special Studies				
ACI Conference	\$0	\$0	\$0	\$0
Appliance Standards Rules	\$50	\$0	\$0	\$50
Memberships-Dues				
Northeast Energy Efficiency Partnership Sponsorship	\$200	\$4	(\$4)	\$200
Clean Energy States Alliance	\$80	(\$6)	\$6	\$80
Consortium for Energy Efficiency	\$120	\$9	(\$9)	\$120
National Association of State Energy Officials and ACORE	\$10	\$0	\$5	\$15
National Association of Regulatory Utility Commissioners	\$5	\$0	\$0	\$5
Sub-Total: Administration and Overhead	\$4,640	\$2,494	(\$2,189)	\$4,945
Evaluation and Related Research				
	\$350	\$5	(\$5)	\$350
Summit Blue EE Market Assessment	\$0	\$0	\$0	\$0
Renewable Energy Market Assessment	\$565	\$160	(\$560)	\$165
Impact Evaluation	\$800	\$11	(\$11)	\$800
Funding Reconciliation	\$20	\$20	(\$20)	\$20
O&M Scoping Study/Online Academy	\$450	\$0	\$0	\$450
Other Studies/Job Training Pilot	\$400	(\$1)	\$1	\$400
Update Market Potential Studies	\$150	\$300	(\$450)	\$0
STAC- Residential AC Study	\$0	(\$0)	\$0	\$0
Process Evaluation	\$300	\$0	(\$300)	\$0
Northeast Energy Efficiency Partnership Scoping Study	\$300	\$0	\$0	\$300
Sub-Total: Evaluation and Related Research	\$3,335	\$495	(\$1,345)	\$2,485
Marketing and Communications				
Business Outreach	\$500	(\$116)	\$116	\$500
Energy Savings Campaigns	\$2,280	\$401	(\$401)	\$2,280
Renewable Energy Campaigns	\$0	\$427	(\$427)	\$0
Web Site	\$560	(\$120)	\$120	\$560
Annual report, marketing administration	\$110	(\$148)	\$148	\$110
Research	\$225	\$100	\$25	\$350
Outreach and Education/Community Partner Grants	\$550	\$205	(\$185)	\$570
Sub-Total: Marketing and Communications	\$4,225	\$750	(\$605)	\$4,370
TOTAL: Administration	\$12,200	\$3,739	(\$4,139)	\$11,800

The revised CORE program budget requires an allocation of the additional funding to the various CORE program budget categories. The CORE budget includes funding for both rebates and for administrative expenses including application processing and inspections. OCE Staff recommends that \$4 million be reserved for administrative and other costs and the remaining \$191.049 million be allocated to the rebate component of the budget. OCE Staff recommended that the Board allocate the additional funding in a manner that results in all of the projects in the current queue being funded with the additional funding allocated to the non-solar budget category.

The Board concurs with OCE Staff's recommendation regarding the allocation of the revised CORE program budget and **HEREBY APPROVES** the following revised 2008 CORE program budget:

Revised 2008 CORE Rebate Budget Allocation

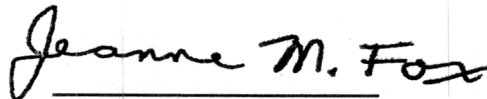
(All numbers = 000's)				
Budget Category	Board Approved 2008 CORE Allocation	% of Budget	Revised 2008 CORE Allocation	% of Budget
< 10 kW- non public	\$41,305	29%	\$53,305.00	28%
> 10 kW non public	\$40,648	29%	\$51,648.00	27%
Public - Non - schools	\$34,403	24%	\$44,403.00	23%
Public - Schools k-12	\$14,086	10%	\$29,086.00	15%
Sunlit (HMFA affordable housing)	\$5,395	4%	\$5,395.00	3%
Non-Solar Projects	\$4,750	3%	\$7,212.00	4%
Total	\$140,587	100%	\$191,049	100%

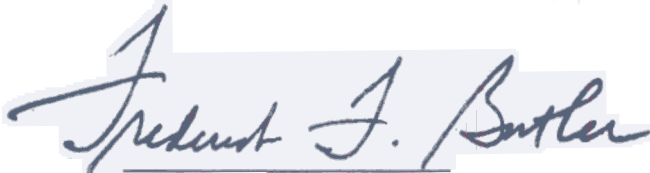
As noted by OCE Staff, TRC's contract includes a payment \$25,000 for development and submittal of an annual Approach to Services Work Plan. TRC has indicated that in developing the detailed 2008 budgets that were included in its compliance filing and approved by the Board it inadvertently omitted these costs in the budget. TRC requested that the administrative budget for the C&I Retrofit program be increased by \$25,000 to accommodate this Board approved expense. The Board **FINDS** this request to be reasonable and authorizes TRC to increase the administration component of the 2008 C&I Retrofit program budget included in TRC's 2008 compliance filing by \$25,000. The rebate component of the C&I Retrofit program budget should be decreased by this amount such that the overall C&I Retrofit program budget remains as approved by the Board above.

The Board further notes that the revised total budgets approved above may differ from the detailed budgets included in the compliance filings submitted by Honeywell, TRC, OCE, and the utilities. To the extent that any of the program managers believe they will exceed the revised budgets set out above, or any component of the detailed budgets set out in the compliance filings approved by the Board, the program managers shall file with the Board for consideration any proposed adjustments to the budgets.

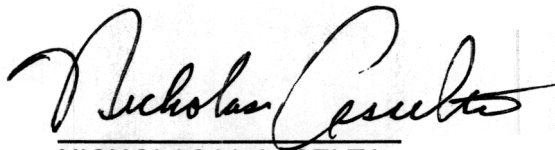
DATE: 9/30/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


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COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

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

