



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

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CLEAN ENERGY

IN THE MATTER OF COMPREHENSIVE ENERGY	)	ORDER
EFFICIENCY AND RENEWABLE ENERGY RESOURCE	)	
ANALYSIS FOR 2009 -2012: SECOND REVISED 2009	)	
PROGRAMS AND BUDGETS AND REVISED	)	
COMPLIANCE FILINGS	)	DOCKET NO. EO07030203

(SERVICE LIST ATTACHED)

BY THE BOARD:

This Order adjusts the 2009 Budgets and Programs for the Clean Energy Program approved by the Board of Public Utilities in its Order dated August 7, 2009, Docket No. EO07030203.¹

BACKGROUND

On February 9, 1999, the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-49 et seq. (EDECA or the Act) 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 to initiate a proceeding and cause to be undertaken a comprehensive resource analysis of energy programs, which is 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 determines the appropriate level of funding for EE and Class I RE programs (now collectively called New Jersey's Clean Energy Program) that provide environmental benefits above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999.

¹ The budget adjustments set forth in this Order are subject to State appropriations law.

In an Order dated April 27, 2007, Docket No. EO07030203, the Board directed the Office of Clean Energy (OCE) to initiate the third comprehensive EE and RE resource analysis proceeding and to schedule public hearings on program funding and funding allocations for the years 2009 – 2012. By Order dated September 30, 2008, Docket No. EO07030203, the Board concluded its proceeding and set funding levels of \$245 million for 2009, \$269 million for 2010, \$319 million for 2011 and \$379 million for 2012. The Board also allocated 2009 funding levels to major program sectors such as residential, commercial and industrial, and renewable energy.

With its Order dated January 8, 2009, Docket No. EO07030203 (2009 Budget Order), the Board approved 2009 programs and budgets for New Jersey's Clean Energy Program (NJCEP). This Order approved the compliance filings of Honeywell International, Inc. (Honeywell), the residential and renewable energy program Market Manager; TRC Energy Services (TRC), the C&I program Market Manager; the Utilities, which deliver the Comfort Partners low income program; and the OCE, which performs certain administrative functions, including program evaluation. The compliance filings included the detailed budgets, which break down program budgets by the various reporting categories such as administration, marketing and rebates, of the programs managed by Honeywell, TRC, the Utilities and the OCE.

The 2009 budgets were established based on new funding available in 2009 plus estimated carry over from 2008. Estimated 2008 carry over was based on forecasts of 2008 expenses prepared before the end of the calendar year. The Board approved modifications to the 2009 budgets to "true up" any difference between estimated and actual 2008 expenses in its Order dated August 7, 2009, Docket No. EO07030203 (August 7, 2009 Order). Carryover includes committed funds for projects that have been provided a rebate or incentive approval but have not been constructed since NJCEP rebates or incentives are paid after installation or construction and inspection. In addition, carryover includes anticipated expenditures that provide for growth in market activity in new and expanded NJCEP programs. Since NJCEP program incentives and rebates depend on voluntary market responses, it is important to have sufficient funds in the program budgets to address any anticipated responses so the programs do not develop waiting lines or have to be closed during the budget year.

Since the Board approved its "true up" additional funding has become available for allocation and other actions require further modification of the 2009 budgets. On September 29, 2009, the New Jersey Department of the Treasury (Treasury) reported that \$3,855,095.40 in interest was credited to the NJCEP Trust Fund for fiscal year 2009. Also, based on the OCE reports on the Alternative Compliance Payments (ACPs) and the Solar Alternative Compliance Payments (SACPs), Treasury has confirmed that, as of October 27, 2009, \$38,918,718 in SACPs were deposited into the NJCEP Trust Fund in 2009 pursuant to the Board's Renewable Portfolio Standards regulations, N.J.A.C. 14:8. The interest and SACP payments are now available for allocation. In addition, the State Legislature in an act making appropriations and regulating its disbursement for the fiscal year ending June 30, 2010, P.L. 2009, c. 68, (State Appropriations Act) appropriated a total of \$40 million from the NJCEP Trust Fund. Specifically, the Legislature appropriated \$30 million for Fuels and Utilities and \$10 million for Capital Construction, Energy Efficiency-Statewide Projects. Thus, the revised 2009 budgets approved in the August 7, 2009 Order require modification.

With this Order, the OCE recommends certain modifications to the revised 2009 budgets approved in the August 7, 2009 Order to account for the additional funding as well as the State Appropriations Act. The OCE also recommends other changes to the detailed program budgets proposed by Honeywell and TRC. These recommendations are discussed below.

PROPOSED BUDGET MODIFICATIONS

As of October 27, 2009, Treasury reports that \$38,918,718 in SACPs have been deposited into the NJCEP Trust Fund. The Board's regulations, N.J.A.C. 14:8-2.10(e), require that SACPs fund solar energy projects through the NJCEP. To that end, the OCE recommends allocating the \$38,918,718 in SACPs to the RE program budgets. Within the RE program budgets, the OCE recommends allocating the \$38,918,718 to the Renewable Energy Incentive Program (REIP), which provides rebates for solar and other customer sited renewable energy projects. In accord with the Board's regulations, the OCE recommends that the \$38,918,718 allocation within the REIP will be specifically for solar projects.

In addition to the SACPs, Treasury reports that \$3,855,095.40 in interest has been credited to the NJCEP Trust Fund. The OCE recommends allocating this interest to the (REIP) budget as well. If approved by the Board, the \$3,855,095.40 in interest credited to the Trust Fund plus the \$38,918,718.00 in SACPs would total an additional \$42,773,813.40 that was not accounted for in the Board's August 7, 2009 Order.

The revised 2009 budgets approved by the Board in the August 7, 2009 Order also do not account for the State Appropriations Act. As discussed above, \$40 million has been appropriated from the NJCEP Trust Fund, which will reduce the NJCEP funding available for existing programs. However, if approved by the Board, the OCE's previous recommendations provide an additional \$42,773,813.40 in funding to the RE programs. In order to minimize the disruption to existing programs that could result from dramatically reducing the program budgets approved by the Board in the August 7, 2009 Order, the OCE recommends transferring the \$40 million for appropriation from the current RE program budget.

Additionally, the Board in July 2009 issued a solicitation for Green Jobs Training support. Proposals were received, evaluated, and the award of contracts was approved by the Board at its October 7, 2009 agenda meeting based on Staff's evaluation of the proposals and recommendations for awards. This included awarding \$777,801 to three entities for Green Jobs Training to assist these entities in building "Living Labs" within their facilities and as part of their Clean Energy training programs. Based on the Board's approvals, contracts are being developed and finalized by Staff.

In accord with the solicitation, the Board's approval for Green Jobs Training included funding for training for both EE and RE measures. The funding for the Green Jobs Training contracts was included in the Special Studies component of the EE budget. Since the Green Jobs Training projects recommended by the OCE and as approved by the Board will provide both EE and RE related services and prior to the finalization of these contracts, the OCE now recommends transferring \$271,790 from the RE programs budget to the EE programs budget to account for the RE component of the Green Jobs Training contract awards.

The net result of the foregoing recommendations is an overall increase in the EE and RE budgets and no change to the OCE Oversight budgets. This can be seen in the table below:

2nd Revised 2009 Funding Levels

	Revised 2009 Budget From 8/7/09 Board Order	Additional Funding	Line Item Transfers	2nd Revised 2009 Funding Levels
	(a)	(b)	(c)	(a) + (b) + (c)
Energy Efficiency Programs	\$255,041,136.02		\$271,790.00	\$255,312,926.02
Renewable Energy Programs	\$248,175,080.14	\$42,773,813.40	(\$40,271,790.00)	\$250,677,103.54
OCE Oversight	\$9,390,781.82			\$9,390,781.82
Total	\$512,606,997.98	\$42,773,813.40	(\$40,000,000.00)	\$515,380,811.38
State of NJ Statewide EE Projects	\$10,000,000.00	\$0.00	\$0.00	\$10,000,000.00
Total w NJ statewide EE	\$522,606,997.98	\$42,773,813.40	(\$40,000,000.00)	\$525,380,811.38
State FY 2010 Budget Appropriations	\$0.00	\$0.00	\$40,000,000.00	\$40,000,000.00

(a) = Revised 2009 budgets from August 7, 2009 Board Order

(b) = Additional funding including SACPs and Trust Fund Interest

(c) = Line item transfers from one program to another

In addition to the OCE's recommended changes to the overall EE and RE budgets, the OCE recommends several line item transfers within the renewable energy budget as follows:

The OCE recommends certain transfers from the Customer On-site Renewable Energy (CORE) program budget. The CORE program was closed to new applications in 2008, but the CORE budget remains for payment of previous rebate commitments only. Honeywell, the Renewable Energy Market Manager, has reported that the existing CORE budget exceeds outstanding commitments by approximately \$17 million. The OCE does not recommend transferring the entire \$17 million, because there is the potential that extensions may come to the Board in the future. Therefore, the OCE recommends transferring \$13,037,466 from the CORE program at this time to other programs as follows: \$271,790 to the EE Special Studies budget for the Green Jobs Training discussed above; \$7 million to a proposed New Jersey Housing and Mortgage Finance Agency (HMFA) solar loan program; \$1,765,676 to an off shore wind study; and \$4 million to the State appropriation.

If not previously discussed, the OCE's rationale for these specific transfers is stated below.

The OCE has recommended allocating \$42,773,813.40 to the REIP budget of which \$38,918,718 from SACP will be allocated specifically for solar projects with REIP. If that allocation is approved by the Board and coincidental to that approval, the OCE also recommends transferring \$36,000,000 from the current REIP budget for solar projects to the State appropriation. The OCE's recommended transfers from the REIP budget line item and the \$4 million from the CORE program budget line item total the \$40 million appropriation from the NJCEP Trust Fund. Moreover, the net result of the OCE's recommendations is a \$6,773,813.40 increase in the REIP budget for solar projects. If approved, these recommendations will minimize disruptions to the NJCEP while furthering the State's clean energy goals in accord with the Board's regulations.

The OCE is also discussing with the Rutgers Institute of Marine and Coastal Sciences and the Rutgers Energy Institute to perform additional research related to the development of offshore wind (OSW) projects. The OCE expects that a request for approval of a contract to perform these services will be submitted for the Board's consideration shortly. Thus, the OCE recommends transferring the \$1,765,676 from the CORE program budget to the offshore wind program budget for this project pending Board approval of the contract.

The OCE is also in discussions with HMFA to develop a Memorandum of Agreement (MOA) for a solar loan program. The OCE recommends transferring \$7 million from the CORE program budget to the HMFA Solar Loan program pending Board approval of the MOA, which the OCE anticipates will be submitted to the Board for its consideration by the end of 2009. This residential solar loan program will be supplemental to the current \$7 million HFMA residential solar loan program as approved by the Board as part of the 2009 State Energy Plan (SEP) American Reinvestment and Recovery Act (ARRA) - Funding Plan Order dated June 16, 2009, Docket number EO 09030210 and as approved by the U.S. Department of Energy.

The result of the proposed transfers within the renewable energy program budget discussed above is shown in the table below:

2nd Revised 2009 Renewable Energy Program Budget				
	Revised 2009 Budget From 8/7/09 Board Order	Additional Funding	Line Item Transfer	2nd Revised 2009 Budget
Programs	(a)	(b)	(c)	(d)=(a)+(b)+(c)
Customer On-Site Renewable Energy	\$139,643,047.76		(\$13,037,466.00)	\$126,605,581.76
Clean Power Choice	\$629,501.00			\$629,501.00
DEP Ecological Baseline Study	\$2,100,000.00			\$2,100,000.00
Offshore Wind	\$12,000,000.00		\$1,765,676.00	\$13,765,676.00
Renewable Energy Program: Grid Connected (Formerly REDI)	\$10,201,605.00			\$10,201,605.00
Renewable Energy Program: Customer Sited	\$47,297,167.00	\$42,773,813.40	(\$36,000,000.00)	\$54,070,980.40
Edison Innovation Clean Energy Fund	\$6,000,000.00			\$6,000,000.00
RE Marketing	\$680,319.00			\$680,319.00
HMFA Solar Loan Program	\$0.00		\$7,000,000.00	\$7,000,000.00
SUB-TOTAL Renewables	\$218,551,639.76	\$42,773,813.40	(\$40,271,790.00)	\$221,053,663.16
EDA PROGRAMS				
RE Project Grants and Financing	\$4,085,967.00			\$4,085,967.00
Renewable Energy Business Venture Financing/REED	\$1,537,473.38			\$1,537,473.38
Edison Innovation Clean Energy Manufacturing Fund: EE & RE	\$24,000,000.00			\$24,000,000.00
SUB-TOTAL EDA Programs	\$29,623,440.38	\$0.00	\$0.00	\$29,623,440.38
Total Renewable Energy Programs	\$248,175,080.14	\$42,773,813.40	(\$40,271,790.00)	\$250,677,103.54

The RE budgets in the table above are managed by several entities. The following table shows the allocation of the program budgets to the various program managers:

2nd Revised 2009 Renewable Energy Program Budget by Program Manager				
Renewable Energy Programs				
	Honeywell	OCE/EDA/HMFA	Utilities	Total
Programs				
Customer On-Site Renewable Energy	\$126,605,581.76			\$126,605,581.76
Clean Power Choice	\$327,501.00		\$302,000.00	\$629,501.00
Offshore Wind		\$13,765,676.00		\$13,765,676.00
DEP Ecological Baseline Study		\$2,100,000.00		\$2,100,000.00
Renewable Energy Program: Grid Connected (Formerly REDI)		\$10,201,605.00		\$10,201,605.00
Renewable Energy Program: Customer Sited	\$53,570,980.40	\$500,000.00		\$54,070,980.40
Edison Innovation Clean Energy Fund		\$6,000,000.00		\$6,000,000.00
RE Marketing	\$680,319.00			\$680,319.00
HMFA Solar Loan Program		\$7,000,000.00		\$7,000,000.00
SUB-TOTAL Renewables	\$181,184,382.16	\$32,567,281.00	\$302,000.00	\$221,053,663.16
EDA PROGRAMS				
RE Project Grants and Financing		\$4,085,967.00		\$4,085,967.00
Renewable Energy Business Venture Financing/REED		\$1,537,473.38		\$1,537,473.38
Edison Innovation Clean Energy Manufacturing Fund		\$24,000,000.00		\$24,000,000.00
SUB-TOTAL EDA Programs	\$0.00	\$29,623,440.38	\$0.00	\$29,623,440.38
TOTAL Renewable Energy Programs	\$181,184,382.16	\$62,190,721.38	\$302,000.00	\$250,677,103.54

The only change to the EE budget recommended by the OCE is the transfer of \$271,790 from the RE budget to the EE Special Studies budget for the Green Jobs Training solicitation discussed above. The table below shows the revised EE budgets that incorporate this transfer:

2nd Revised 2009 Energy Efficiency Program Budget				
	Revised 2009 Budget From 8/7/09 Board Order	Additional Funding	Line Item Transfer	2nd Revised 2009 Budget
Programs	(a)	(b)	(c)	(d) = (a) + (b) + (c)
Residential EE Programs				
Residential HVAC - Electric & Gas	\$13,532,500.80			\$13,532,500.80
Residential New Construction	\$42,576,218.09			\$42,576,218.09
Energy Efficient Products	\$25,315,444.47			\$25,315,444.47
Home Performance with Energy Star	\$23,652,926.69			\$23,652,926.69
Community Based Efficiency Initiative	\$1,247,612.00			\$1,247,612.00
Residential Marketing	\$4,580,830.00			\$4,580,830.00
Sub Total Residential	\$110,905,532.04	\$0.00	\$0.00	\$110,905,532.04
Residential Low Income				
Comfort Partners	\$36,309,764.38			\$36,309,764.38
Sub Total Low Income	\$36,309,764.38	\$0.00	\$0.00	\$36,309,764.38
C&I EE Programs				
Commercial/Industrial Construction				
C&I New Construction	\$10,691,720.49			\$10,691,720.49
C&I Retrofit	\$22,020,298.02			\$22,020,298.02
New School Construction & Retrofit	\$7,103,223.98			\$7,103,223.98
CHP	\$11,784,675.15			\$11,784,675.15
Local Government Audit	\$13,276,120.00			\$13,276,120.00
Direct Install	\$10,295,999.00			\$10,295,999.00
Pay-for-Performance	\$23,245,128.08			\$23,245,128.08
TEACH	\$795,600.00			\$795,600.00
Marketing	\$1,555,000.00			\$1,555,000.00
Business Conference	\$1,046,000.40			\$1,046,000.40
Sub Total C&I	\$101,813,765.12	\$0.00	\$0.00	\$101,813,765.12
Other EE Programs				
Special Studies	\$1,055,311.50		\$271,790.00	\$1,327,101.50
Cool Cities	\$4,956,762.98			\$4,956,762.98
Sub Total Other Energy Efficiency Programs	\$6,012,074.48	\$0.00	\$271,790.00	\$6,283,864.48
Total Energy Efficiency	\$255,041,136.02	\$0.00	\$271,790.00	\$255,312,926.02

In addition to the transfers within and among the programs, the OCE recommends several line item transfers within the OCE Oversight budget as follows:

The Board's initial 2009 Budget Order dated January 8, 2009 included a budget of \$590,000 for Energy Savings Campaigns. The 2009 Budget Order noted that the marketing campaign previously managed by Grafica was terminated in 2009 and stated that the 2009 budget includes funding for maintaining the web site and for paying certain marketing expenses that were committed to in 2008 but will be paid in 2009. Grafica's expenses for Energy Savings Campaigns incurred in 2008, but paid in 2009, exceeded the budget by approximately \$60,000. Therefore, the OCE recommends that an additional \$60,000 be allocated to the Energy Savings Campaigns budget. Because all of the expenses for Energy Savings Campaigns have now been invoiced and paid, the OCE recommends that this budget can be eliminated going forward.

Additionally, the 2009 OCE Oversight budget included \$50,000 for Appliance Standards Rules. The OCE is no longer pursuing this initiative. Therefore, these funds are no longer required. The OCE now recommends that transferring these funds to the Energy Savings Campaigns budget. The OCE Staff and Overhead budget also exceeds anticipated expenses. Therefore, the OCE recommends transferring an additional \$10,000 from the OCE Staff and Overhead budget to the Energy Savings Campaigns budget to cover the shortfall.

The net result of the proposed transfers within the OCE Oversight budget is shown in the table below:

2nd Revised 2009 OCE Oversight Budget				
(All numbers = 000's)	Revised 2009 Budget From 8/7/09 Board Order	Additional Carry Over	Line Item transfers	Revised 2009 Budget
	(a)	(b)	(c)	(d) = (a)+(b)+(c)
Administration and Overhead				
OCE Staff and Overhead	\$2,423,000.00		(\$10,000.00)	\$2,413,000.00
Program Coordinator	\$2,072,014.75			\$2,072,014.75
Appliance Standards Rules	\$50,000.00		(\$50,000.00)	\$0.00
Memberships-Dues				
Northeast Energy Efficiency Partnership Sponsorship including EMV Regional Protocol Forum	\$600,000.00			\$600,000.00
Clean Energy States Alliance	\$172,057.00			\$172,057.00
Consortium for Energy Efficiency	\$135,183.00			\$135,183.00
National Association of State Energy Officials and ACORE	\$15,000.00			\$15,000.00
National Association of Regulatory Utility Commissioners	\$5,000.00			\$5,000.00
USGBC/Other Memberships	\$30,000.00			\$30,000.00
Sub-Total: Administration and Overhead	\$5,502,254.75	\$0.00	(\$60,000.00)	\$5,442,254.75
Evaluation and Related Research				
Rutgers-CEEEP	\$500,000.00			\$500,000.00
Impact Evaluation	\$513,240.00			\$513,240.00
Funding Reconciliation	\$50,000.00			\$50,000.00
O&M Scoping Study/Online Academy	\$450,000.00			\$450,000.00
Other Studies/Job Training Pilot	\$400,000.00			\$400,000.00
Program Evaluation	\$1,100,000.00			\$1,100,000.00
Northeast Energy Efficiency Partnership Scoping Study	\$132,326.50			\$132,326.50
Sub-Total: Evaluation and Related Research	\$3,145,566.50	\$0.00	\$0.00	\$3,145,566.50
Marketing and Communications				
Energy Savings Campaigns	\$15,303.87		\$60,000.00	\$75,303.87
Web Site	\$300,000.00			\$300,000.00
Outreach and Education/Community Partner Grants	\$427,656.70			\$427,656.70
Sub-Total: Marketing and Communications	\$742,960.57	\$0.00	\$60,000.00	\$802,960.57
TOTAL: Administration	\$9,390,781.82	\$0.00	\$0.00	\$9,390,781.82

Honeywell, the residential energy efficiency and renewable energy Market Manager, and TRC, the commercial and industrial (C&I) energy efficiency Market Manager, have proposed modifications to their detailed program budgets as follows:

Honeywell is proposing a number of changes to its detailed budgets approved by the Board in its August 7, 2009 Order as follows:

1. Residential New Construction: Transfer \$303,010 from the Rebate Processing to the Administration component of the budget. Honeywell initially included expenses related to the development of an Open Rater Market system in the rebate processing

component of the budget. Based on discussions with Staff it was determined these expenses were more appropriately categorized as administrative.

2. REIP: Transfer \$53,400 from the Rebate Processing to the Performance Incentive component of the budget. Honeywell's 2009 budget for RE Performance Incentives only included enough to cover the maximum level of incentives that could be earned for 2009 activities and inadvertently omitted the carryover of 2008 Performance Incentives. The revised budget includes sufficient funds for Performance Incentives earned for 2008 activities which will be paid in 2009.
3. REIP: Transfer \$119,930 from the Rebate Processing to the Administration component of the budget. Honeywell's initial 2009 budget included expenses related to a Market Assessment as a Rebate Processing expense. Based on discussions with Staff it was determined these expenses were more appropriately categorized as administrative.

Honeywell also modified its detailed budgets to align with the revised program budgets set out in the tables above. The following tables show the revised Honeywell budgets that incorporate the changes discussed above:

2nd Revised Honeywell 2009 Residential Efficiency Budgets

Program	Total	Administration, IT and Program Development	Sales & Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
Residential HVAC - Electric & Gas	\$13,532,500.80	\$1,459,554.00	\$0.00	\$628,413.30	\$9,041,555.39	\$2,050,643.16	\$52,335	\$300,000
Residential New Construction	\$42,576,218.09	\$1,593,643.20	\$0.00	\$79,722.00	\$37,047,573.06	\$3,702,944.88	\$52,335	\$100,000
ENERGY STAR Products	\$25,315,444.47	\$1,536,702.84	\$0.00	\$0.00	\$22,756,784.68	\$869,622.00	\$52,335	\$100,000
Home Performance with Energy Star	\$23,652,926.69	\$1,156,221.08	\$0.00	\$462,535.70	\$20,583,844.85	\$1,297,990.10	\$52,335	\$100,000
Community Initiative	\$847,612.00	\$447,612.00	\$0.00	\$0.00	\$400,000.00	\$0.00	\$0	\$0
Sales and Marketing	\$4,580,830.00	\$0.00	\$4,580,830.00	\$0.00	\$0.00	\$0.00	\$0	\$0
Sub Total Residential EE Programs	\$110,505,532.04	\$6,193,733.12	\$4,580,830.00	\$1,170,671.00	\$89,829,757.98	\$7,921,200.14	\$209,340	\$600,000

2nd Revised Honeywell 2009 RE Budgets

Renewable Energy Programs	Total	Administration, IT and Program Developmt	Sales And Marketing	Training	Rebates, Grants, and Other Direct Incentives	Rebate Processing, Inspections and Other Quality Control	Performance Incentives	Evaluation and Related Research
Renewable Energy Incentive Program	\$53,570,980.40	\$1,598,177.00	\$0.00	\$248,745.00	\$49,297,813.40	\$2,267,934.00	\$158,311	\$0
CORE Program (Rebates Only)	\$126,605,581.76	\$0.00	\$0.00	\$0.00	\$126,605,581.76	\$0.00	\$0	\$0
Clean Power Choice Program	\$327,501.00	\$292,467.00	\$0.00	\$0.00	\$0.00	\$35,034.00	\$0	\$0
EDA Programs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0
Sales and Marketing	\$680,319.00	\$0.00	\$680,319.00	\$0.00	\$0.00	\$0.00	\$0	\$0
Sub Total Renewable	\$181,184,382.16	\$1,890,644.00	\$680,319.00	\$248,745.00	\$175,903,395.16	\$2,302,968.00	\$158,311.00	\$0.00

TRC has proposed a number of changes to its detailed 2009 budgets as follows:

1. New Construction Program: Transfer \$106,500 from the Rebates, Grants and Other Direct Incentives to the Training component of the budget. TRC will conduct its first Pay for Performance New Construction Partner training in the 4th quarter and demand for training is forecasted to be higher than originally anticipated. This transfer would cover

increasing the quantity of partners recruited and trained from 20 to 50 and the quantity of Energy Modeling Training provided from 50 to 100.

2. Pay for Performance Program: Transfer \$92,000 from the Rebates, Grants and Other Direct Incentives to the Training component of the budget. This program has received widespread support and interest from the partner community. This transfer would increase the number of partners trained from 60 to 100. Also, transfer \$40,000 from the Rebates, Grants and Other Direct Incentives to the Administration component of the budget to cover the cost for Program Design which was inadvertently not included in the 2009 administration budget.
3. Retrofit Program: Transfer \$265,019 from the Rebates, Grants and Other Direct Incentives to the Rebate Processing, Inspections, and Other Quality Control component of the budget. This transfer will cover an increase in Custom Technical Assistance from 300 to 360. It will also cover the estimated increase in quantity of pre and/or post inspections from 1,500 to 2,300.
4. New Schools Construction and Retrofit Program: Transfer \$3,048.83 from the Rebates, Grants and Other Direct Incentives to the Rebate Processing, Inspections, and Other Quality Control component of the budget. This will cover an increase in estimated QA inspections from 100 to 105.
5. Sector Specific Program: The Sector Specific program budgets are embedded in the four program budgets discussed above. TRC's initial budgets included expenses related to Sector Specific outreach efforts in the Training component of the budget. Based on discussions with Staff it was determined these expenses were more appropriately categorized as Rebates, Grants and Other Direct Incentives.

The following table shows the revised TRC budgets that incorporate the changes discussed above:

2nd Revised TRC 2009 C&I Efficiency Budgets

Program	Total Budget	Admin. and Program Development	Sales, Marketing, Call Centers, Web Site	Training and Technical Support	Rebates, Grants and Other Direct Incentives	Rebate Processing, Inspections, Other Quality Control	Performance Incentives	Evaluation & Related Research
C&I New Construction	\$10,691,720.49	\$323,000.00		\$321,250.00	\$9,336,802.53	\$576,667.96	\$134,000.00	\$0.00
C&I Retrofit	\$22,020,298.02	\$823,000.00		\$162,750.00	\$18,486,514.52	\$2,322,033.50	\$226,000.00	\$0.00
New School Construction & Retrofit	\$7,103,223.98	\$294,000.00		\$115,500.00	\$5,620,138.38	\$753,585.80	\$120,000.00	\$0.00
CHP (prior years commitments only)	\$11,784,675.15	\$0.00		\$0.00	\$11,743,720.54	\$40,954.61	\$0.00	\$0.00
Local Government Energy Audit	\$13,276,120.00	\$55,000.00		\$0.00	\$10,279,120.00	\$2,920,000.00	\$22,000.00	\$0.00
Direct Install	\$10,295,999.00	\$343,000.00		\$10,000.00	\$9,591,999.00	\$225,000.00	\$126,000.00	\$0.00
Pay for Performance	\$23,245,128.08	\$390,000.00		\$366,500.00	\$22,173,628.08	\$199,000.00	\$126,000.00	\$0.00
TEACH	\$795,600.00	\$48,000.00		\$532,416.00	\$159,784.00	\$0.00	\$0.00	\$55,400.00
Marketing	\$1,555,000.00		\$1,555,000.00					
2009 Clean Energy Conference and Awards	\$1,046,000.40		\$1,046,000.40					
TOTAL C&I Programs	\$101,813,765.12	\$2,266,000.00	\$2,601,000.40	\$1,508,416.00	\$87,591,707.05	\$7,037,241.67	\$754,000.00	\$55,400.00

DISCUSSION AND FINDINGS

The Board is required by law to adjust its budgets to reflect the State Appropriations Act and noted this obligation in both the 2009 Budget Order and the August 7, 2009 Order. With that in mind, the Board has reviewed the changes to the revised 2009 NJCEP budgets recommended by the OCE and discussed in detail above. The Board **HEREBY FINDS** that the OCE's recommendations will minimize the impact on programs while also adjusting the budgets to comply with the law. The Board **FURTHER FINDS** that the OCE's recommendations result in either no change or an increase in all of the EE and RE program budgets, with the exception of the CORE program which is closed, and minor changes to the OCE Oversight budget. The Board has reviewed the changes to the detailed program budgets proposed by Honeywell, TRC, and the OCE and **HEREBY FINDS** them to be reasonable. Therefore, the Board **HEREBY APPROVES** revised 2009 budgets reflected in the tables above and the modifications to the detailed program budgets proposed by Honeywell, TRC and the OCE.

DATED: 11/10/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
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

