



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 -) ORDER
AMERICAN RECOVERY AND REINVESTMENT ACT -)
REALLOCATION PLAN) DOCKET NO.: EG09080611

(SERVICE LIST ATTACHED)

BY THE BOARD:

This Order memorializes action taken by the Board of Public Utilities ("Board") at its March 30, 2011 Agenda meeting to approve the reallocation of funds within the State Energy Efficiency Appliance Rebate Program funding under the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 ("Recovery Act").

BACKGROUND

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.

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.

By Order dated September 16, 2010, Docket No. EG09080611 the Board approved the reallocation of \$3.2 million from the HVAC equipment (Cool and Warm advantage budget to the Products (Clothes Washers, Refrigerators and Dish Washers) budget which increased to \$6.5 million. 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.

The Office of Clean Energy Staff is seeking Board's approval to reallocate an additional \$1,305,900 from the HVAC equipment which has been undersubscribed to the Products budget which is oversubscribed. If approved the reallocation would budget a total of \$7,830,900 for Products and allow the appliance upstream retailer promotion to continue through the end of April, 2011. The ARRA HVAC promotion has only expended about \$235,000, to date and the reallocation budget for HVAC would be \$500,000 (attached is the reallocation worksheet). Demand for the Products (Clothes Washers, Refrigerators and Dish Washers) program continues to be strong. The Products budget of \$6.5 million which includes the \$3.2 million that the Board reallocated in September 2010; \$5,930,795 has been expended or committed with additional unmet demand for the Products Program.

Since the proposed reallocation of \$1.3 million is less than 25% of the total SEEARP award the USDOE has informed Board Staff that OCE is authorized to reallocate the dollars without further approval from USDOE. However, consistent with past practice in this matter, Staff recommends the Board approve the reallocation of \$1,305,900 of the SEEARP funds from HVAC equipment (Cool and Warm advantage) to Products (Clothes Washers, Refrigerators and Dish Washers)

The Board has reviewed Staff's recommendation and **HEREBY FINDS** it to be reasonable. Accordingly, the Board **HEREBY APPROVES** the reallocation of \$\$1,305,900 of the SEEARP funds from HVAC equipment (Cool and Warm advantage) to Products (Clothes Washers, Refrigerators and Dish Washers) as within time.

DATED: 3/30/11

BOARD OF PUBLIC UTILITIES
BY:

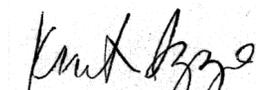

LEE A. SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

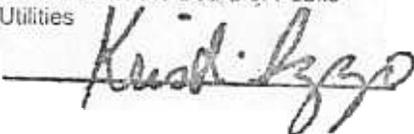

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
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



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

Joe Gennello,
Honeywell
5 East Stow Road, Suite E
Marlton, NJ 08053

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

Pedro Cabrera
Honeywell
145 Route 46 West
Wayne, NJ 07470

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

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

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

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

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

James McGiure, 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

ARRA Proposed Reallocation 3-1-11

	Original Plan				Revised Plan 7-29-10				Proposed Plan 3-1-11			
	Targeted Quantity	Total Cost	Targeted # of products Recycled	Targeted Quantity	Total Cost	Targeted # of products Recycled	Targeted Quantity	Total Cost	Targeted # of products Recycled			
Products to be Rebated												
Clothes Washers (1/1/11 Criteria)	35	\$525,000	13,500	25,000	\$875,000	22,500	12,504	\$440,430	11,513			
Dishwashers (8/1/09 Criteria)	25	\$250,000	9,000	13,000	\$325,000	11,700	21,347	\$533,680	19,532			
Dishwashers (7/1/11 Criteria)	50	\$250,000	4,500	15,000	\$750,000	13,500	19,462	\$973,091	17,807			
Refrigerators (ENERGY STAR)	75	\$1,125,000	13,500	45,000	\$3,375,000	40,500	53,199	\$3,989,920	48,875			
Refrigerators (CEE Tier 2)	100	\$200,000	1,800	10,000	\$1,000,000	9,000	17,202	\$1,720,165	15,739			
Refrigerators (ERP)	50	\$850,000	N/A	4,000	\$200,000	3,600	3,472	\$173,615	3,177			
Water Heater (Electric Heat Pump 1/1/09 Criteria)	250	\$375,000	1,350	200	\$50,000	180	100	\$25,000	53			
Water Heater (Gas Storage 1/1/09 Criteria)	25	\$100,000	3,600	1,000	\$25,000	900	28	\$700	7			
Water Heater (Gas Tankless 1/1/09 Criteria)	300	\$30,000	90	100	\$30,000	90	75	\$22,500	48			
Solar (gas back-up)	1,200	\$648,400	N/A	50	\$60,000	45	10	\$12,000	3			
Central Air Conditioners	300	\$300,000	900	1,000	\$300,000	900	126	\$37,800	76			
Air Source Heat Pumps	300	\$22,500	68	75	\$22,500	68	20	\$6,000	15			
Ground Source Heat Pumps	400	\$20,000	45	50	\$20,000	45	-	\$0	0			
Gas Furnaces	300	\$75,000	225	250	\$75,000	225	225	\$67,500	151			
Oil Boilers	300	\$2,370,000	7,110	1,000	\$300,000	900	900	\$270,000	84			
Gas Boilers	300	\$240,000	720	778	\$233,400	700	45	\$13,500	32			
Total Rebates	82,882	\$8,330,900	58,658	118,803	\$8,330,900	106,923	128,945	\$8,330,900				

	Original Plan 7-29-10	Revised Plan 3-1-11	Proposed Plan 3-1-11
Summary			
Products	\$3,200,000	\$6,525,000	\$7,830,900
HVAC	\$5,130,900	\$1,805,900	\$500,000
Total	\$8,330,900	\$8,330,900	\$8,330,900

Agenda Date: 3/30/11
 Agenda Item: 8D

ARRA Proposed Reallocation 3

Products to be Rebated	Quantity	Original Plan			Revised Plan 7-29-10			Proposed Plan 3-1-11		
		Targeted Quantity	Total Cost	Targeted # of products Recycled	Targeted Quantity	Total Cost	Targeted # of products Recycled	Targeted Quantity	Total Cost	Targeted # of products Recycled
Clothes Washers (7/1/11 Criteria)	35	15,000	\$525,000	13,500	25,000	\$875,000	22,500	12,584	\$440,430	11,513
Dishwashers (8/1/109 Criteria)	25	10,000	\$250,000	9,000	13,000	\$325,000	11,700	21,347	\$533,680	19,532
Dishwashers (7/1/11 Criteria)	50	5,000	\$250,000	4,500	15,000	\$750,000	13,500	19,462	\$973,091	17,807
Refrigerators (ENERGY STAR)	75	15,000	\$1,125,000	13,500	45,000	\$3,375,000	40,500	53,199	\$3,989,920	48,675
Refrigerators (CEE Tier 2)	100	2,000	\$200,000	1,800	10,000	\$1,000,000	9,000	17,202	\$1,720,165	15,739
Refrigerators (ERP)	50	17,000	\$850,000	N/A	4,000	\$200,000	3,600	3,472	\$173,615	3,177
Water Heater (Electric Heat Pump 1/1/09 Criteria)	250	1,500	\$375,000	1,350	200	\$50,000	180	100	\$25,000	53
Water Heater (Gas Storage 1/1/09 Criteria)	25	4,000	\$100,000	3,600	1,000	\$25,000	900	28	\$700	7
Water Heater (Gas Tankless 1/1/09 Criteria)	300	100	\$30,000	90	100	\$30,000	90	75	\$22,500	48
Solar (gas back-up)	1,200	707	\$848,400	N/A	50	\$50,000	45	10	\$12,000	3
Central Air Conditioners	300	1,000	\$300,000	900	1,000	\$300,000	900	126	\$37,800	76
Air Source Heat Pumps	300	75	\$22,500	68	75	\$22,500	68	20	\$5,000	15
Ground Source Heat Pumps	400	50	\$20,000	45	50	\$20,000	45	-	\$0	0
Oil Furnaces	300	2,500	\$750,000	2,250	2,300	\$690,000	2,070	150	\$45,000	648
Gas Furnaces	300	250	\$75,000	225	250	\$75,000	225	225	\$67,500	151
Oil Boilers	300	7,900	\$2,370,000	7,110	1,000	\$300,000	900	900	\$270,000	84
Gas Boilers	300	800	\$240,000	720	778	\$233,400	700	45	\$13,500	32
Total Rebates		82,882	\$8,330,900	58,658	118,803	\$8,330,900	106,923	128,945	\$8,330,900	

	Original Plan 7-29-10	Revised Plan 3-1-11	Proposed Plan 3-1-11
Summary Products	\$3,200,000	\$6,525,000	\$7,830,900
HVAC	\$5,130,900	\$1,805,900	\$500,000
Total	\$8,330,900	\$8,330,900	\$8,330,900

ARRA Proposed Reallocation 3-1-1

Products to be Rebated	Original Plan			Revised Plan 7-29-10			Proposed Plan 3-1-11		
	Quantity	Total Cost	Targeted # of products Recycled	Quantity	Total Cost	Targeted # of products Recycled	Quantity	Total Cost	Targeted # of products Recycled
Clothes Washers (1/1/11 Criteria)	35	\$525,000	13,500	25,000	\$875,000	22,500	12,584	\$440,430	11,513
Dishwashers (8/1/109 Criteria)	25	\$250,000	9,000	13,000	\$325,000	11,700	21,347	\$533,680	19,532
Dishwashers (7/1/11 Criteria)	50	\$250,000	4,500	15,000	\$750,000	13,500	19,462	\$973,091	17,807
Refrigerators (ENERGY STAR)	75	\$1,125,000	13,500	45,000	\$3,375,000	40,500	53,199	\$3,989,920	48,675
Refrigerators (CEE Tier 2)	100	\$200,000	1,800	10,000	\$1,000,000	9,000	17,202	\$1,720,165	15,739
Refrigerators (ERP)	50	\$50,000	N/A	4,000	\$200,000	3,600	3,472	\$173,615	3,177
Water Heater (Electric Heat Pump 1/1/09 Criteria)	250	\$375,000	1,350	200	\$50,000	180	100	\$25,000	53
Water Heater (Gas Storage 1/1/09 Criteria)	25	\$100,000	3,600	1,000	\$25,000	900	28	\$700	7
Water Heater (Gas Tankless 1/1/09 Criteria)	300	\$30,000	90	100	\$30,000	90	75	\$22,500	48
Solar (gas back-up)	1,200	\$848,400	N/A	50	\$60,000	45	10	\$12,000	3
Central Air Conditioners	300	\$300,000	900	1,000	\$300,000	900	126	\$37,800	76
Air Source Heat Pumps	300	\$22,500	68	75	\$22,500	68	20	\$6,000	15
Ground Source Heat Pumps	400	\$20,000	45	50	\$20,000	45	-	\$0	0
Oil Furnaces	300	\$750,000	2,250	2,300	\$690,000	2,070	150	\$45,000	648
Gas Furnaces	300	\$75,000	225	250	\$75,000	225	225	\$67,500	151
Oil Boilers	300	\$2,370,000	7,110	1,000	\$300,000	900	900	\$270,000	84
Gas Boilers	300	\$240,000	720	776	\$233,400	700	45	\$13,500	32
Total Rebates		\$8,330,900	82,862	118,803	\$8,330,900	106,923	128,945	\$8,330,900	

	Original Plan 7-29-10	Revised Plan 3-1-11	Proposed Plan 3-1-11
Summary Products	\$3,200,000	\$6,525,000	\$7,830,900
HVAC	\$5,130,900	\$1,805,900	\$500,000
Total	\$8,330,900	\$8,330,900	\$8,330,900